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United Nations

Executive Board of the United Nations Development Programme/United Nations Population Fund

Report of the Executive Board on its work during 2005

Economic and Social Council
Official Records, 2005
Supplement No. 15

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Note

Symbols of United Nations documents are composed of capital letters combined with figures. Mention of such a symbol indicates a reference to a United Nations document.

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Part one
First regular session

**Held at United Nations Headquarters in New York
from 20 to 28 January 2005**

I. Organizational matters

1. The first regular session 2005 of the Executive Board of UNDP and UNFPA was held at United Nations Headquarters, New York, from 20 to 28 January.

2. The Executive Board elected the following members of the Bureau for 2005:

President: H.E. Ms. Carmen Maria Gallardo Hernández	(El Salvador)
Vice-President: Mr. Andriy Nikitov	(Ukraine)
Vice-President: Ms. Ulrika Cronenberg-Mossberg	(Sweden)
Vice-President: Mr. Tesfa Alem Seyoum	(Eritrea)
Vice-President: Mr. Arjun Bahadur Thapa	(Nepal)

3. Upon her election, the new President made an introductory statement that was posted on the website of the Executive Board secretariat at www.undp.org/execbrd.

4. The Executive Board approved the agenda and workplan for its first regular session 2005 (DP/2005/L.1 and Corr.1), as orally amended, and its annual workplan 2005 (DP/2005/CRP.1). The Executive Board also approved the report on the second regular session 2004 (DP/2005/1).

5. Decisions adopted by the Executive Board in 2004 appeared in document DP/2005/2, while decisions adopted at the first regular session 2005 were included in document DP/2005/15, which could be accessed on the website of the Executive Board secretariat at www.undp.org/execbrd.

6. The Executive Board agreed in decision 2005/14 to the following schedule of sessions of the Executive Board in 2005:

Annual session 2005:	13 to 24 June 2005 (New York)
Second regular session 2005:	6 to 9 September 2005

Statement by the Administrator

7. In his address to the Executive Board, the Administrator, UNDP, highlighted the current mood of international development and set the tone for the coming year, drawing particular attention to:

(a) The launch of the Millennium Project report to the Secretary-General — *Investing in Development*;

(b) The formation of a broad consensus of development actors to halve extreme poverty by 2015;

(c) The twin tracks of the United Nations 2005 agenda: *security and development*, stressing the importance of simultaneously addressing the needs of the poor and the wealthy;

(d) The need to realize these goals — in the light of current global crises — by repositioning UNDP and the United Nations Development Group (UNDG) at the heart of new nationally owned and led development strategies focused on the Millennium Development Goals (MDGs), and establishing an MDG framework to drive the poverty reduction strategy (PRS) process;

(e) The need to enhance UNDP expertise in capacity development and advocacy; and

(f) The importance of UNDP stewardship of the resident coordinator system, for which UNDP would seek approval for and implement a new resources and reform package, including the appointment of 40 country directors.

8. Appointed United Nations Chief of Staff, the Administrator expressed regret that he had to leave UNDP well before his term ended. Thanking Board members for their strong support, he assured them that his successor would be selected through a transparent and competitive process.

9. Delegations congratulated the Administrator on his appointment as United Nations Chief of Staff, underlining their trust in his unique ability to promote the international development agenda at the global level. Expressing regret at his departure and applauding his tireless commitment to development, Board members commended the Administrator for his visionary leadership in guiding UNDP through a challenging yet vital reform period.

10. Delegations supported the Administrator's strategy for moving forward in 2005, particularly regarding United Nations reform at the country level. They drew attention to the ongoing need to strengthen the resident coordinator system — ensuring better funding, efficiency and effectiveness — and to step up efforts in poverty reduction, public administration, anti-corruption, gender mainstreaming and equality, public-private partnerships, capacity building and MDG-PRSP alignment by promoting and engaging the national/local private sector and civil society, especially in the least developed countries (LDCs).

11. In general, they urged the organization to enhance its performance monitoring, accountability and oversight techniques, and stressed the importance of national ownership of development programming.

12. Highlighting the recommendations set out in the Millennium Project report and the General Assembly triennial comprehensive policy review (TCPR) resolution (A/RES/59/250), delegations stressed the need to translate words into concrete results at the country level. The report, several indicated, should be viewed in the context of major United Nations conferences such as the World Summit on Sustainable Development and the International Conference on Financing for Development, in particular with regard to trade, debt relief, technical assistance and transfer, and good governance.

13. Delegations underscored the important role of UNDP in the transition from crisis to recovery to development, pointing to its role in tsunami relief efforts and in achieving the MDGs in Africa.

14. Pleased with current trends in official development assistance and the steady increase in regular (core) resources, they stressed the importance of tailoring aid to regional and country needs, while calling on donor countries to do their utmost to meet the agreed 0.7 per cent of gross domestic product to meet the MDGs, as laid out in the Millennium Summit report.

15. In response, the Administrator began by thanking delegations for their close cooperation with the Board and UNDP management, and donor countries for their increased contributions. Their support was crucial to realizing the MDGs and the recommendations laid out in the Millennium Project report, which, he stressed, were intimately interconnected. Both would ensure that a precise set of development and security objectives would find a prominent place in the debate at the 2005 General Assembly Major Event and in the United Nations agenda for the coming years. In that regard, he asserted the potential catalytic role of the March 2005 meeting of the Development Assistance Committee (DAC) of the Organisation for Economic Co-operation and Development (OECD).

16. In conclusion, the Administrator emphasized that the success of the organization's work in all areas hinged on urgently needed broader United Nations reforms, especially with regard to transparency and effectiveness, to ensure its long-term legitimacy. He spoke in particular of the organization's vital role in crisis prevention and recovery and in building partnerships with national stakeholders, especially the private sector, to mitigate the effects of disaster situations.

UNDP segment

II. Financial, budgetary and administrative matters

17. In discussing the revision of UNDP financial regulations (DP/2005/3), the report of the Advisory Committee on Administrative and Budgetary Questions (ACABQ) (DP/2005/4) and reporting on UNDP income from cost recovery (DP/2005/CRP.4), delegations expressed approval for the proposed revisions to the financial regulations, with two exceptions: (a) allowing commitment of resources against future receipt of contributions in certain instances; and (b) permitting exceptions to separations of duties in cases of emergency or staff shortages. Requesting that UNDP provide information to the Board on the proposed risk guidelines and pursue an independent expert assessment on the issue, the Board decided to defer consideration of the proposed revisions to the annual session in June 2005.

18. Delegations supported proposed revisions on programming modalities, seeing them to be in accordance with simplification and harmonization endeavours.

19. Welcoming the proposed model for reporting on cost recovery, delegations raised concerns about cross-subsidization from other areas, transparency for stakeholders, and the relationship to earmarked contributions. They asked about the potential role of Atlas, and encouraged UNDP to report separately in the future on cost recovery and to provide details in the biennial support budget. The approach to and reporting on cost recovery should be harmonized among agencies.

20. In response, the Director, Office of Finance and Administration, Bureau of Management, stated that the ability to enter into commitments on the basis of approved future receivables was an important tool for UNDP to manage donor funding allocated via instalments, without which projects could be delayed and/or inefficiently managed. To support that effort, the risk management guidelines, to be issued by the Administrator, would include such elements as requirements for legally binding agreements with donors, performing risk assessments on donor and country office past performance, exploration of other donor payment options such as letter of credit modalities, and implementation of oversight and control mechanisms.

21. The Comptroller, UNDP, emphasizing that the proposed revisions on separation of duties dealt solely with exceptions, reiterated that stringent controls and thresholds, irrespective of circumstances, were in place to pre-empt potential errors, highlighting in particular improvements rendered through Atlas. He assured delegations that UNDP consulted regularly with the Board of Auditors on those matters.

22. The Executive Board adopted decision 2005/1 on the revision of UNDP financial regulations.

23. The Board took note of the report of the ACABQ on the revision of UNDP financial regulations and the report on reporting of UNDP income from cost recovery.

III. Country programmes and related matters

Approval of country programmes

24. In introducing the item on country programmes, the President reiterated that in accordance with decision 2001/11 country programmes would be approved at each first regular session in January on a no-objection basis without presentation or discussion, unless at least five Board members had informed the secretariat in writing before the meeting of their wish to bring a particular country programme before the Executive Board.

25. The Executive Board approved the following UNDP country programmes submitted in 2004 on a no objection basis without presentation or discussion: Angola, Burundi, Lesotho, Madagascar, Mauritius, the Democratic People's Republic of Korea, Islamic Republic of Iran, the Philippines, the Republic of Korea; Armenia, Azerbaijan, Bosnia and Herzegovina, Kazakhstan, Kyrgyzstan, the former Yugoslav Republic of Macedonia, Romania, Serbia and Montenegro, Tajikistan, Turkmenistan, Uzbekistan; Argentina, Guatemala.

26. In connection with the country programme for the Democratic People's Republic of Korea, the delegation of Japan stated that there remained unsolved issues between Japan and the Democratic People's Republic of Korea relating to sovereign human rights and humanitarian issues, such as abductions of Japanese nationals. Japan therefore found it difficult to actively support the draft country programme. Japan requested further details of the programme; concrete plans for implementation of the projects; monitoring of recipients; and requested regular, detailed monitoring reports of future projects.

27. The United States delegation noted that the Global Fund would not be disbursing funds for activities in that country since the parties involved could not reach an agreement. The delegation also stated the need for UNDP to enhance its monitoring efforts to ensure that aid reached the intended beneficiaries.

28. The delegation of the Democratic People's Republic of Korea noted that the country had agreed to undertake an annual evaluation as mentioned in the draft country programme document, and that there was a continuous monitoring programme of all activities in the country. They stated that the abduction issue had been resolved by the Pyongyang Declaration, and regretted any opposition to the normalization of relations between the Democratic People's Republic of Korea and Japan, adding that further discussion of these subjects should be conducted in a more appropriate forum.

Subregional programme for the OECS and Barbados

29. In discussing the draft subregional programme document for the countries of the Organisation of Eastern Caribbean States and Barbados (DP/DSP/CAR/1), delegations, conveying their support, stressed the need to focus on poverty reduction, social sector development, building a regional database (necessary for any progress) in line with *Human Development Report* (HDR) recommendations,

risk reduction and disaster management, United Nations regional coordination, and greater resource mobilization. They emphasized the need to draw on strategies laid out at the United Nations Conference on Small Islands in Port Louis, Mauritius and the World Conference on Disaster Reduction in Kobe, Japan.

30. Assuring delegations that their comments would be reflected in the finalized subregional programme, the Director, Regional Bureau for Latin America and the Caribbean, noted that the subregional programme document was prepared prior to the Mauritius and Kobe conferences and that UNDP would benefit greatly from those conferences in implementing the programme in the Caribbean, especially in disaster risk management. She underlined the importance of integrated data collection, including best practices, to reach appropriate diagnoses in advance. In appealing for an increase in resources, she stressed that serious, immediate funding of preventive measures would go a long way toward curtailing the allocation of vast sums on money on disaster relief efforts later on.

31. The Board would take up the draft subregional programme document for the countries of the Organisation of Eastern Caribbean States and Barbados for approval at its annual session in June 2005.

Assessment mission to Myanmar

32. Endorsing the conclusions and recommendations of the report of the independent assessment mission to Myanmar (DP/2005/6), delegations commended efforts to reduce poverty in rural areas. They encouraged UNDP to seek additional funding, help to improve national monitoring and evaluation mechanisms (expressing special interest in the recently conducted Agriculture Sector Review), engage in policy dialogue for pro-poor change, and pursue dialogue with local actors to expand the Human Development Initiative (HDI). They requested that the Administrator take account of and implement the findings of the independent assessment mission, and urged UNDP, in expanding the programme, to ensure that quality is maintained, taking into account the findings of the 2004 evaluation (DP/2004/8).

33. The Resident Coordinator, Myanmar, thanked delegations for their strong support and relayed his intention to share the outcome of the Agriculture Sector Review and the Household Living Conditions Survey as soon as they were finalized.

34. The Executive Board adopted decision 2005/3 on the assessment mission to Myanmar.

Global programme, 2005-2007

35. In decision 2005/2 on the global programme, 2005-2007 (DP/GP/1), delegations opted to extend the UNDP second global cooperation framework, 2001-2003, (DP/GCF/2) for one year until 31 December 2005, and requested that the Administrator take all necessary measures to ensure that the extension of the second global cooperation framework would not have an adverse impact on programme countries. UNDP was asked to submit the revised global programme, together with a workplan — developed in full consultation with Member States — at the annual session in June 2005. In doing so, UNDP should take into account issues of national ownership and leadership of the development process as laid out in the multi-year funding framework, 2004-2007 (DP/2003/32) and the recent TCPR resolution.

36. The Executive Board adopted decision 2005/2 on the global programme without discussion in the plenary.

IV. Gender in UNDP

37. In discussing the UNDP corporate strategy and action plan for gender in 2005 (DP/2005/7) and the update on progress achieved in the partnership between UNDP and UNIFEM (DP/2005/CRP.2), delegations expressed support and encouragement, in particular for efforts to strengthen the partnership between UNDP and the United Nations Development Fund for Women (UNIFEM).

38. Delegations raised some concerns, seeking in particular detailed information on how the organization intended to implement the corporate strategy and action plan and within what timeframe. They drew attention to the possible overlap with programmes mandated and run by the United Nations Conference on Trade and Development (UNCTAD).

39. In that regard, they encouraged UNDP to follow the recommendations laid out in the recently adopted General Assembly TCPR resolution and other instruments, such as the Beijing Platform for Action, in which the gender agenda had already been well established. The rich experience of UNIFEM should likewise provide innovative approaches and best practices.

40. Furthermore, underlining the importance of local ownership, they queried whether certain proposed activities surpassed the UNDP mandate, especially on judicial reform.

41. In urging UNDP to pursue its efforts to provide gender training at headquarters and in country offices, delegations advocated greater awareness-raising, the adoption of gender-responsive budgeting and the inclusion of women's rights in all national development strategies. In that regard, they stressed the need for more reliable performance indicators, including qualitative and quantitative gender-disaggregated MDG indicators, and regular gender auditing with baseline data and monitoring.

42. They emphasized the importance of gender work in democratic governance, HIV/AIDS, trade negotiations and knowledge sharing for the achievement of the MDGs. In all those areas, they underlined the crucial role that men needed to play in making progress on the gender agenda.

43. In response, the Director, Bureau for Development Policy, underlined that implementation of the proposed corporate strategy and action plan ultimately depended on the results of the ongoing independent evaluation. UNDP would thus need to report back to the Board at its annual session in June 2005 on an exact timeline, accountability mechanisms and monitoring benchmarks. He emphasized that UNDP gender work strictly supported nationally developed and owned gender strategies and programmes, in line with TCPR recommendations. Concurring on the crucial role of men, especially in HIV/AIDS work, he drew attention to new gender training methods for men based directly on field experience.

44. Speaking on the UNDP-UNIFEM partnership, the Executive Director, UNIFEM, highlighted the strengthened partnership between UNIFEM regional programmes and UNDP regional centres in Central and Eastern Europe and the Commonwealth

of Independent States and Southern and East Africa. She drew attention to the many good examples of existing UNDP-UNIFEM partnerships. She responded to questions about strengthening access of senior management to good practices by indicating that discussions were taking place between UNDP and UNIFEM to use the UNDP Virtual Development Academy or to develop a training institute that would build knowledge of field staff and partners about innovative initiatives in support of gender equality and women's empowerment. She concluded by stressing that the organization must set up the proper mechanisms to ensure that the gains of Beijing+10 were not lost but closely connected to the General Assembly Major Event in September 2005.

45. The Director, Office of Human Resources, highlighted the organization's gender-sensitive learning programmes, including the close cooperation between the Learning Resource Centre and UNIFEM, and the gender focused curriculum of the Virtual Development Academy. Noting that important resources were funnelled into gender capacity building, he stressed that UNDP was dedicated to providing gender training to staff at all levels and intent on achieving its gender balance goal.

46. In taking note of the proposed corporate strategy and action, the Executive Board decided in its decision 2005/4 to defer further consideration of the report to the annual session 2005.

47. The Board also took note of the update on the progress achieved in the partnership between UNDP and UNIFEM (DP/2005/CRP.2).

V. United Nations Capital Development Fund

48. In discussing options for a future business model for UNCDF (DP/2005/8), delegations reiterated that UNCDF was mandated by the General Assembly to provide capital assistance first and foremost to the LDCs.

49. Members from LDCs and a number of donor countries expressed their staunch support for maintaining an independent UNCDF as a Fund whose investments and technical support concretely serve LDC needs for increasing access to financial services and decentralization/local development. They cited the Fund's good results and clear niche at a time when emphasis was placed on investing in development to achieve the MDGs at the local level. They underlined its important role in empowering women. Seeking a favourable consensus, they called for an increase in resources and the urgent appointment of a new Executive Secretary.

50. Some delegations preferred a fuller integration of UNCDF into UNDP (DP/2005/8, option 4). In support, they stressed the uncertain viability and effectiveness of small United Nations agencies, the principle of simplification and harmonization, and the perception of overlapping areas of focus of UNCDF and UNDP.

51. Delegations ultimately reached a consensus to maintain UNCDF as an independent organization focused on reducing poverty and achieving the MDGs in the LDCs (DP/2005/8, option 3, sub-option 4). This option, they noted, served to maximize efficiency and effectiveness by enabling the continuation of the Fund's valued LDC-focused investment mandate, while furthering simplification and harmonization through partial financial integration with UNDP.

52. They commended UNCDF for its already significant efforts to harmonize and integrate its operations with those of UNDP in areas such as country programming, joint programmes, common shared support services and cost recovery policies, thus significantly reducing the administrative and procedural burden on the organization and its national partners. They urged UNCDF to ensure its operations were integrated into the strategic approach of the United Nations in each LDC.

53. Board Members stressed that the future survival and ability of UNCDF to fulfil its mandate effectively hinged on its access to predictable and sustained multi-year funding. They asked UNDP to assist UNCDF in mobilizing programme resources, and emphasized that sustained additional funding for UNCDF programmes would need to be forthcoming from traditional as well as new donors.

54. They requested that the Administrator provide a detailed implementation plan for option 3, sub-option 4 — including budgetary, legal and programming arrangements — for discussion at the annual session in June 2005. They asked the Administrator to appoint a new Executive Secretary as soon as possible.

55. The Associate Administrator, UNDP, and Officer-in-Charge, UNCDF, thanking delegations for their strong support for UNCDF to expand its work in the LDCs, looked forward to the revitalization and financial recapitalization of the Fund following the decision of the Board on its future.

56. The Executive Board adopted decision 2005/5, selecting option 3, sub-option 4 — an institutionally independent UNCDF with partial financial integration with UNDP — as the future business model for UNCDF.

VI. United Nations Office for Project Services

57. Delegations discussed the progress report of the Executive Director on activities of UNOPS, highlighting projected 2004 budget performance, the revised budget estimates for 2005 and updates on the evolving corporate strategy (DP/2005/9), as well as the report of the Management Coordination Committee (MCC) on the assessment of progress in UNOPS (DP/2005/10).

58. Delegations expressed satisfaction with UNOPS significant level of business acquisition in 2004, clearly demonstrating the ongoing demand for its services. While noting the MCC concerns expressed by the Comptroller, they approved the budget estimates indicating that 2005 expenditures would be covered by revenues earned during 2005, and that the change management programme would remain a priority and be adjusted according to the availability of funds.

59. They were pleased with UNOPS growing diversity of clients and the trend towards greater provision of services in crisis, post-conflict and transition countries. They encouraged UNOPS to continue to expand and diversify its client portfolio to ensure business viability, especially in the area of public works.

60. Underlining that 2005 would be a watershed year for UNOPS, delegations encouraged it to make every effort to improve its financial management, control systems and reporting, and remain committed to achieving a clean audit for the biennium 2004-2005.

61. There was a general request that the Board be regularly updated on UNOPS efforts throughout 2005, including on the possible revising of financial regulations.

In that regard, delegations encouraged UNOPS to adopt private sector accounting methods, and be given more time to balance its cost base with revenue levels. There was a call for UNOPS to report specifically to donors on any major setbacks in 2005, and on change management at the annual session.

62. Noting that with a 7 to 8 per cent financial margin UNOPS could be considered a cost-effective agency, delegations indicated that UNOPS should remain an independent agency, opposing the possibility of merging with other bodies, such as the Inter-Agency Procurement Services Offices (IAPSO). Citing the UNDG Executive Committee and the GreenTree report, they highlighted that UNOPS had a tangible role to play at the field level in efforts to reduce transaction costs of operational activities for development.

63. They requested that the Executive Director prepare for the second regular session 2005 a comprehensive plan of action, in consultation with the MCC, on further measures to be implemented in 2006 to enhance the efficiency of business operations, ensure cost reductions, continue the change management process, and achieve sustainable financial viability.

64. Thanking Board members for their support and advice, the Executive Director, UNOPS, addressed a number of their concerns. He stated that UNOPS had not suspended the change management process but was seeking to incorporate changes through the regular budget, which caused delays. He assured delegations that UNOPS was following seriously the recommendations of the Board of Auditors and working to prioritize issues accordingly in order to ensure a clean bill of health financially. With regard to imprest accounts, there had been no financial setbacks or improprieties to report. Transfer to Atlas, while ultimately positive, had complicated and delayed the issuance of budget performance figures in 2004. He indicated that in developing the corporate strategy for 2005, UNOPS was determining its added value and potential working relationship with other bodies in the same field, in particular IAPSO.

65. The Comptroller, United Nations, stressed that UNOPS remained in a precarious situation and that 2005 would be a critical year for its future. Having approved the 2005 budget with hesitation, he expressed concern that the projected 40 per cent increase in revenue in tandem with a reduction in expenditures for 2005 might not be plausible. He commented that addressing issues such as expensive duty stations might help to reduce the cost base, along with a move to determine which activities were more or less profitable.

66. The Executive Board adopted decision 2005/6 on the progress report of the Executive Director of UNOPS.

VII. South-South cooperation

67. In discussing the third cooperation framework for South-South cooperation (DP/CF/SSC/3/Rev.1 and Corr.1), Board members congratulated the Director on his appointment as chief of the Special Unit and expressed their strong support for the third cooperation framework.

68. In noting the Special Unit's ambitious work programme, some delegations expressed concern that implementation designs were still rudimentary, particularly

with regard to management and resource mobilization, as they would be key to successful implementation of the framework.

69. Delegations emphasized the importance of demand-driven support, based on the needs of the LDCs, small island developing states (SIDS) and landlocked countries in particular. Commending efforts to promote the private sector, they stressed that focus should not be solely on trade but on ways to establish mechanisms for increased technology exchanges and investment.

70. They stated that triangular cooperation should be an integral part of South-South initiatives, and highlighted the need to promote South-South cooperation in prevention for and recovery from natural disasters.

71. Member countries requested the Administrator to include in its report to the High-Level Committee on South-South Cooperation (SSC/14/2) in May 2005 a detailed strategy for the implementation of the framework, including mobilization of resources, and inform the Executive Board thereon. They also asked the Administrator to hold periodic consultations with Board members, and to report to the Board at its annual session 2006 on progress achieved in implementing the third cooperation framework.

72. In thanking delegations for their support, the Director, Special Unit for South-South Cooperation, clarified that the three shifts in the framework were meant to create a better enabling environment for policy dialogue, public-private partnerships and knowledge sharing. The latter, which went beyond only South-South to North-South exchanges, would in part serve to permeate UNDP with the spirit of South-South cooperation. In that regard, a new experts' roster domain was being developed that would benefit both developing and developed countries.

73. With regard to public-private partnerships, the Special Unit would seek to take advantage of existing technical networks rather than create new agreements, the aim being to expand knowledge exchanges within and across regions.

74. He assured delegations that UNDP would work to ensure that all initiatives were demand-driven based on country needs. The Special Unit, he affirmed, demonstrated needed flexibility in responding to disaster situations and was in the process of creating simplified guidelines for tsunami contributions. Furthermore, the Unit had offered to use the South-South Trust Fund as the main account for receiving tsunami contributions from developing countries.

75. The Executive Board adopted decision 2005/7 on the third cooperation framework for South-South cooperation.

Joint UNDP/UNFPA segment

VIII. Recommendations of the Board of Auditors

76. Delegations welcomed the report on the implementation of the recommendations of the Board of Auditors for the biennium 2002-2003 for UNDP (DP/2005/11 and DP/2005/CRP.3) and for UNOPS (DP/2005/12), and the UNFPA follow-up to the report of the United Nations Board of Auditors for 2002-2003: status of implementation of recommendations (DP/FPA/2005/1).

77. They noted that future reports should indicate the priority of the recommendations and an expected time frame for their implementation.

78. Delegations expressed concern that the Board of Auditors had modified its audit opinion on the financial statements of the organizations, although they recognized that all recommendations had been or were being implemented.

79. Some delegations requested additional information on the status of efforts to formulate a funding policy for end-of-service and post-retirement benefits; clear outstanding inter-agency balances; develop procedures to control inter-agency practices effectively; and evaluate independently the built-in internal controls of the Atlas system.

80. Regarding the observation that activating the audit trail could degrade and impact the Atlas performance system, one delegation sought assurances that the system would be tightened. Another recalled the framework to resolve issues contained in internal audit reports and looked forward to UNDP, UNFPA and UNOPS reporting at the annual session 2005 using that framework.

81. Some delegations asked UNFPA to finalize its guidance on the appointment of project auditors and terms of reference for audits in the context of the UNDG Inter-Agency Audit Task Force. They stated that priority should be given to the preparation of a technical note on the appointment of project auditors; requested an indication of the timeframe for this activity; and asked how compliance would be monitored and measured.

82. Some delegations asked UNOPS to explain the extent to which it had communicated with the Board of Auditors on follow-up and prioritization of steps; whether its action plan was overambitious; and what it was doing to foster a positive business culture and communication strategy.

83. Delegations stressed the importance of follow up to the recommendations of the Board of Auditors, especially in improving internal management control. They requested that future reports include an indication of priority of the recommendations and a time frame for their implementation.

84. In response to queries on how UNDP financial revisions would affect post-retirement benefits, the Director, UNDP Bureau of Management, indicated that the impact was limited to after-service retirement health insurance, which had become a liability. UNDP would conduct an assessment in late 2005 to take stock and look ahead.

85. The Deputy Executive Director (Management) stated that UNFPA had reconciled the outstanding balances with United Nations implementing agencies and had established improved reporting procedures. Regarding after-service medical benefits, UNFPA was working with the United Nations on costing and would consider various funding options. At present, the amount would be in the range of $60 million to $100 million. She agreed that the Fund should set priorities and target dates to implement the recommendations of the Board of Auditors.

86. Regarding the audits of nationally executed programmes, the Deputy Executive Director (Management) noted increased information for 2004 and said that additional information was still being received. UNFPA was a member of the UNDG inter-agency task group that was preparing a technical note, to be issued in mid-2005, on the appointment of project auditors. Regarding the audit trail and the Atlas

system. UNFPA had tightened system controls and would undertake a review depending on the outcome of the independent evaluation.

87. The Chief Financial Officer, UNOPS, assured delegations that UNOPS maintained regular communication with the Board of Auditors. While concurring that the UNOPS audit plan was ambitious, she asserted that the amount of work was prodigious and necessitated action on all fronts. UNOPS would be willing to share details with the Board. She indicated that UNOPS was adopting private sector best practices to rectify internal anomalies. The change in funding had prompted the organization to reprioritize and refocus on high-risk areas, such as PeopleSoft and imprest accounts. A profitability analysis to be conducted in 2005 would help to determine UNOPS cost-benefit and business acceptance approval. She also emphasized the importance of UNOPS efforts to foster a positive working culture.

88. The Executive Board adopted decision 2005/8 on the implementation of the recommendations of the Board of Auditors.

IX. Report to the Economic and Social Council

89. In discussing the UNDP and UNFPA reports to the Economic and Social Council (E/2005/4-DP/2005/13 and E/2005/5-DP/FPA/2005/2, respectively), delegations agreed that the two organizations should maintain a sharp focus on follow up to the triennial comprehensive policy review (TCPR) resolution (A/RES/59/250). They called on both organizations to play a proactive role in strengthening the resident coordinator system; further simplifying programme procedures; reinforcing the focus on gender issues; and enhancing the United Nations contribution to post-crisis assistance.

90. There was support and encouragement for the lead role of UNDP in driving forward United Nations reforms, joint programming, simplification and harmonization, and alignment with national plans and priorities. Delegations were pleased that UNDG was preparing for the meeting of the Development Assistance Committee (DAC) of the Organisation for Economic and Co-operation and Development (OECD) in March 2005.

91. They also pointed out the need for an accountability framework for the United Nations Development Assistance Framework (UNDAF) and resident coordinator oversight of the UNDAF, as well as automatic reporting on the management response to evaluation outputs.

92. One delegation stressed the importance of forging an inclusive United Nations development system and the need to address goals of other major United Nations conferences and summits, not only the Millennium Summit. UNDP and UNFPA were encouraged to promote international scientific efforts geared to capacity-building in developing countries.

93. Delegations urged UNDP and UNFPA to participate actively in preparations for the General Assembly Major Event on the five-year review of the MDGs scheduled in September 2005.

94. With regard to UNFPA, delegations welcomed the informative report and were pleased to note the expanded donor base and the upward trend in contributions. Delegations also noted the events undertaken in connection with the tenth

anniversary of the International Conference on Population and Development (ICPD).

95. Delegations recognized the need to fully finance the MYFF and encouraged UNFPA to be more ambitious in implementing the MYFF. Some delegations requested examples of where and how UNFPA was contributing to common country programming processes in support of national priorities and planning. They welcomed steps taken to strengthen monitoring and evaluation arrangements, as well as results-based planning.

96. The Director, Bureau for Resources and Strategic Partnerships, underlined the importance of the recent TCPR resolution and the organization's commitment to ensuring its implementation. Highlighting the UNDG commitment to the OECD DAC process, he indicated that the Administrator would make an important statement at the March 2005 meeting setting out the UNDG vision on simplification and harmonization. UNDP agreed with the need for an accountability framework and for ensuring a virtuous circle in the evaluation process. He asserted that the issues covered in the report to the Economic and Social Council reflected TCPR recommendations; UNDP simply followed the structure agreed on by Member States. UNDP would be willing to streamline the report further. He stressed the independent character of the Millennium Project report and assured delegations that UNDP was committed to working closely with governments to ensure national ownership of programming processes. He emphasized the importance accorded to the programming process at the country level and the MDG-PRSP alignment in the Millennium Project report. He concurred with the call to forge an 'inclusive' United Nations development system and address goals of all major United Nations conferences and summits.

97. The Deputy Executive Director (Programme) noted that the MYFF had promoted a culture of improved monitoring and a renewed emphasis on quantitative and qualitative analysis. The UNFPA Procedures Manual had been updated and was compatible with UNDG guidelines. UNFPA recognized the need to strengthen its analytical power to bring population dynamics, reproductive health and HIV/AIDS issues to the fore in policy dialogue, particularly to underscore their linkages with macroeconomic policies. He added that UNFPA recently held a workshop to better position itself vis-à-vis PRSPs. He assured the Board that the TCPR would drive the work of UNFPA and that it was committed to strengthening the resident coordinator system; simplifying programme procedures; reinforcing the focus on gender issues; and enhancing United Nations contributions to post-crisis assistance.

98. Referring to the UNFPA response to the tsunami disaster, he noted that for the first time UNFPA had been recognized as having a key role in humanitarian relief assistance. The Fund was addressing the survival and reproductive health needs of women in the tsunami-affected countries and their psychosocial needs. He underscored the importance of linking rehabilitation efforts to country programmes and emphasized the importance of post-conflict reconstruction and development. He took note of the comment concerning forging an inclusive United Nations and promoting capacity-building efforts in science and technology.

99. The Executive Board adopted decision 2005/9 on the reports to the Economic and Social Council.

X. Programming process

100. Following informal consultations, the Executive Board adopted decision 2005/10 on joint programming, which had been deferred from the annual session 2004.

UNFPA segment

Statement by the Executive Director

101. The Executive Director underscored the importance of 2005 as a year of review — the Millennium Declaration and Beijing+10 — and of renewed commitments to advance human rights and well-being. She expressed deep sympathy for those affected by the tsunami disaster.

102. She emphasized the need to demonstrate the linkages between reproductive health and rights and the achievement of the Millennium Declaration goals and stressed the importance of reproductive health, gender equality and women's empowerment in eradicating poverty. She underscored the urgency of the global development agenda and United Nations effectiveness and reform.

103. She identified efforts to make UNFPA a more effective development organization by emphasizing learning and training and through commitment to a unified United Nations field presence and reform process, including the resident coordinator system. She noted the need to consider how best to position the Fund to respond to crisis situations such as the recent tsunami. She also highlighted the UNFPA special youth programme.

104. She was encouraged by the increased contributions in 2004. The number of donors had risen to a record high of 166 (compared to 69 in 1999). She thanked donors for their contributions and multi-year pledges and acknowledged that Member States had played a pivotal role in the Fund's work.

105. Numerous delegations commended UNFPA for its leadership in promoting the implementation of the Programme of Action of the International Conference on Population and Development (ICPD) and for its work in reproductive health and rights. They emphasized that universal access to reproductive health was essential for achieving the MDGs and underscored the need to link poverty alleviation with reproductive health, population and gender. Delegations said they would seek to ensure that reproductive health and rights were given due attention in the 2005 Millennium Declaration review. They supported the recommendation in the Millennium Project report to strengthen the focus on linkages between reproductive health and poverty eradication. Several delegations supported the introduction of an additional target to the maternal health goal — universal access to reproductive health services by 2015 through the primary health care system. Delegations underscored the need to include reproductive health and rights in the Secretary-General's report on the 2005 review.

106. Delegations expressed satisfaction with the direction, management and work of UNFPA. They congratulated UNFPA on its record number of donors, which reflected donor confidence and political support. A number of delegations announced increased contributions to UNFPA. Some announced multi-year commitments and encouraged others to do the same. Delegations underscored that

UNFPA required increased resources to integrate reproductive health and rights in poverty reduction strategy papers (PRSPs) and sector-wide approaches (SWAps) to ensure that HIV prevention, gender equality and youth were addressed.

107. Several delegations commended UNFPA for its contribution to the tsunami relief efforts and acknowledged the particular needs of women. Delegations commended UNFPA for its special youth programme.

108. Delegations stressed the importance of reproductive health commodity security and called for increased funding and capacity development in that area. Several thanked UNFPA for promoting the MDGs in national processes. One delegation noted that it was organizing, with UNFPA, a high-level meeting in April in Stockholm to demonstrate how investments in reproductive health contributed to economic and social development.

109. Delegations welcomed the Fund's commitment to United Nations reform and the follow-up to the TCPR. They emphasized the need for broad ownership of the resident coordinator system and the UNDAF results matrix and the need to expand joint programming.

110. The Executive Director thanked delegations and appreciated the announcements regarding contributions and multi-year commitments. She welcomed the commitment of Member States to integrate reproductive health and the MDGs and to ensure that reproductive health and rights were adequately reflected in the 2005 Millennium Declaration review. She noted that gender equality and women's rights were the basis of the Fund's work in human rights. She stated that UNFPA would endeavour to make its mandate better known, including its work in censuses, ageing and migration. She said that UNFPA was increasing its investment in strengthening national capacity to collect, analyse and utilize demographic data. She noted that UNFPA was flexible in responding to country needs and committed to addressing in-country disparities.

111. The Executive Director referred to actions that UNFPA had undertaken to increase organizational effectiveness, including a new staff evaluation system focusing on performance and competencies. She also noted that the Executive Board and External Relations Branch would be responsible for United Nations affairs and support to the reform process. She pointed out the need to increase core staff in humanitarian assistance, gender, culture and human rights. The Fund was currently utilizing project posts to support work in those units. She noted that she would inform the Board of the need for additional staff and assured it that UNFPA would act prudently.

112. Regarding coordination in the area of HIV/AIDS, she noted that UNFPA chaired a number of HIV/AIDS theme groups at country level and was an active co-sponsor and advocate of UNAIDS. UNFPA worked within the United Nations country teams to promote and follow-up on UNAIDS policies and recommendations. UNFPA also supported countries in accessing funds from the Global Fund. She agreed that it was essential to ensure reproductive health commodity security and hoped that Member States would advocate a budget line for commodities in national budgets. She concurred that there should be broad ownership of the resident coordinator system and that resident coordinators should be given basic induction training on the mandates of all agencies. The Executive Director thanked delegations for their guidance and support.

XI. Financial, budgetary and administrative matters

113. The Deputy Executive Director (Management) introduced the following reports: (a) Revision of financial regulations (DP/FPA/2005/3); (b) Recovery of indirect costs for co-financing (DP/FPA/2005/5); and (c) Report of the Advisory Committee on Administrative and Budgetary Questions (DP/FPA/2005/4).

114. Numerous delegations appreciated the clarity of the introduction. They supported the simplification and harmonization agenda and the proposed revisions to the financial regulations. They welcomed plans to review the regulations to ensure that they were compatible with the UNDAF. They hoped that the revisions would not impose burdens on programme countries, particularly the LDCs. Delegations supported the simplification of the cost recovery system and agreed that multiple rates should be replaced by a single rate charged to all non-core expenditures. They noted that the ACABQ agreed with the proposed rate of 7 per cent.

115. Delegations emphasized that core resources should not subsidize the management of activities financed by non-core resources; some wondered if a single rate of 7 per cent would be sufficient. They underscored that the actual cost of an activity must be attributed to its funding source. In accordance with the TCPR resolution, delegations encouraged UNFPA to harmonize basic assumptions for the cost-recovery policy to support United Nations reform at the country level. They wondered why UNFPA, UNDP and UNICEF had differing cost-recovery rates. Some delegations favoured revisiting the subject of cost recovery after the UNDG had made its recommendations for unified guidelines for cost recovery.

116. With regard to the expanded definition of "fully funded", delegations sought assurances that UNFPA would proceed prudently and minimize risks. Any exceptions should be defined narrowly and accurately. Several delegations sought clarification about the separation of duties in the financial control framework under the Atlas system. Some were of the view that a lower cost-recovery rate, namely 5 per cent, should be applied for nationally executed projects funded by a programme country. Delegations requested UNFPA to ensure transparency in reporting on revenues generated by the cost-recovery policy. They urged UNFPA to ensure proper training of country office staff on the new policies and procedures. Some delegations sought clarification about the different cost-recovery rates pertaining to procurement.

117. The Deputy Executive Director (Management) appreciated the supportive comments and advice. Concerning the expanded definition of "fully funded", she assured the Executive Board that UNFPA would mitigate any associated risk. Concerning indirect support costs, UNFPA had used the model advised by the Joint Inspection Unit and supported by the ACABQ. She stated that UNFPA had used the same cost-recovery methodology as UNDP and UNICEF. Applying that methodology to the costing over the last two bienniums, UNFPA had arrived at the single rate of 7 per cent. She noted that while the agencies might have different rates for cost recovery due to different mandates and cost structures, the methodology had been harmonized. She added that the UNDG and the high level committee on management would review the cost recovery issue and that UNFPA would keep the rate of 7 per cent under review.

118. Regarding the procurement query, she clarified that if procurement were an activity that was part of a programme, the cost-recovery rate of 7 per cent would apply. However, if it were a third-party procurement, a rate of 5 per cent would apply, as in those instances UNFPA was not involved in programme planning, monitoring and other activities. She assured the Executive Board that UNFPA was committed to harmonizing the cost-recovery policy to support United Nations reform at the country level. She added that UNFPA reported on cost-recovery income through its financial statements.

119. She noted that UNFPA regularly provided staff training in financial systems and welcomed co-financing contributions from programme countries. She indicated that the cost-recovery model that UNFPA applied did not distinguish between contributions from programme countries and those from other countries. UNFPA would review, as required, the rate applied to programme countries. She assured the Board that the revision of the financial regulations and other efforts at simplification and harmonization were intended to reduce the burden on programme countries.

120. The Director, Division for Management Services, observed that the concept of "fully funded" was not new. He noted that the expanded definition aimed to regularize a prevailing practice driven by the policy of the European Union. He assured the Executive Board that any associated risk was manageable. He emphasized that the Atlas system empowered UNFPA to monitor pledges and payments effectively. Noting that the Fund would develop specific guidelines, he stated that UNFPA did not plan to allow extensive usage of the provision. Concerning the separation of duties, he emphasized that it was an underlying principle of internal control that no one person in the organization should be able to approve and process a transaction through its various stages. He stated that Atlas enabled UNFPA to ensure that the roles were divided. If the need arose, country offices could direct the transactions through the automatic workflow to either UNFPA headquarters or UNDP. He added that in the event of an emergency the country office could seek an exception, which would be made while ensuring that basic controls existed.

121. The Chief, Finance Branch, Division for Management Services, said that the Atlas system had given UNFPA a sound financial control framework. Concerning the query on whether core resources would be used to subsidize non-core activities under the expanded definition of "fully funded", he assured the Executive Board that that would not be the case. He added that the accounting system segregated core and non-core resources. With regard to reporting on income from cost-recovery, he confirmed that UNFPA reported to the Executive Board on those income streams in its financial statements and the biennial support budget. In revising the financial regulations, UNFPA had sought inputs from its country offices and had created an internal task force to guide the process. He stated that UNFPA had provided training in the new financial systems and Atlas last year; additional training for country office staff was planned this year.

122. The Executive Board adopted decision 2005/11 on the revision of UNFPA financial regulations and decision 2005/12 on the recovery of indirect costs for co-financing.

XII. Resource allocation system

123. The Executive Director introduced the report on the review of the system for the allocation of UNFPA resources to country programmes (DP/FPA/2005/6).

124. Several delegations commended UNFPA on the quality of the document and the transparent informal consultations held during the review process. Delegations approved the approach used to update the resource allocation system; endorsed the procedure for country classification; and approved the share of resources by country group outlined in table 4 of the report (DP/FPA/2005/6). Delegations welcomed the simplification of the system and the Fund's plan to synchronize the resource allocation system cycle with the multi-year funding framework (MYFF) cycle. They underscored the importance of alignment with the MDGs and noted that the effectiveness of the system should be measured not by the levels of disbursement of resources but by the level of achievement of the ICPD goals and the MDGs. Delegations underlined the need for improved data systems.

125. Delegations appreciated that the resource allocation system would continue to give priority to LDCs and countries in Africa. Two delegations suggested that 60 per cent of programme resources should go to LDCs. Some stressed that the distribution of resources to countries should take into account their actual needs and population size, noting that the focus should be on countries that were the furthest away from achieving ICPD goals. Delegations also stressed that attention should be paid to the absorptive capacity of countries. One delegation noted that in a number of countries with economies in transition, reproductive health problems persisted and there was a need for financial assistance. Emphasizing the importance of South-South cooperation, one delegation stated that it should be demand-driven and not supply-driven.

126. The delegation of Mexico cautioned that the reclassification of countries in the resource allocation system could threaten progress achieved. The delegation expressed concern that the reclassification of Mexico from a "B category" country to a "C category" country was based on outdated data for the indicator on the adolescent fertility rate. Had the most recent national data been used for that indicator, Mexico would have continued as a "B category" country.

127. The Deputy Executive Director (Programme) noted that UNFPA wanted to focus increased attention on LDCs while keeping in mind the principle of universality. He agreed that a number of countries with economies in transition, particularly in Central Asia, needed assistance. He concurred with the need to strengthen data systems and underscored that UNFPA was playing a key role in building capacity to collect, analyse and utilize data.

128. The Senior Strategic Planning Adviser noted that updating the resource allocation system had been a challenging task and thanked the Board for its guidance. A well-balanced system of resource allocation had been produced with highest priority accorded to "A category" countries, which included all LDCs. Assistance would also be provided to countries in "B category" and "C category" to ensure that the progress achieved was maintained. He stated that the availability of data for all countries had posed a major challenge and that UNFPA had relied on the most recent data available from recognized international sources. UNFPA understood the concern of Mexico. However, in order to have a universal system, it

was necessary to use comparable data that had been collected and estimated in a similar way.

129. Regarding the LDCs, he noted that there had been a shift in the allocation of resources to "A category" countries from 37 per cent of programmable resources in 1995 to 46 per cent in 2003, an indication of the Fund's commitment to countries most in need. He noted that the issue of absorptive capacity should be taken into account when allocating resources to individual countries. Concerning the query on countries with economies in transition, he noted that resources would be allocated in line with the Executive Board approval of their new country programmes. He added that the updated resource allocation system, effective January 2005, would be in place until 2007; if necessary, there would be a further review and an effort to synchronize the system's cycle with the MYFF cycle.

130. The Executive Board adopted decision 2005/13 on the review of the system for the allocation of UNFPA resources to country programmes.

XIII. Country programmes and related matters

131. As per decision 2001/11, the Executive Board approved the following country programmes on a no-objection basis without presentation or discussion: Angola, Burundi, Madagascar, Islamic Republic of Iran, Philippines, Armenia, Azerbaijan, Kazakhstan, Kyrgyzstan, Romania, Tajikistan, Turkmenistan, Uzbekistan and Guatemala.

XIV. Other matters

132. The Executive Board held the following informal meetings:

UNDP. (a) Informal consultation on the UNDP global programme; (b) Informal briefing on the report of the Management Coordination Committee on the assessment of progress in UNOPS; and (c) Briefing on the tsunami disaster of 26 December 2004 (with UNFPA);

UNFPA. (a) Reproductive health commodity security; and (b) Briefing on the tsunami disaster of 26 December 2004 (with UNDP).

Joint meeting of the Executive Boards of UNDP/UNFPA, UNICEF and WFP

Children and women affected by HIV/AIDS

133. Following opening comments by the President of the UNICEF Executive Board and the UNICEF Executive Director, the presentations addressed the priority issues of children and women made vulnerable by HIV/AIDS, provided examples of joint action in the United Nations system; and highlighted priority challenges for the United Nations system in strengthening individual agencies' and joint responses.

134. Speakers noted the progress that has been made for children and women affected by HIV/AIDS, including that increasingly, there are international frameworks for global and United Nations action, internationally endorsed targets, norms and standards, and increasing evidence of joint action across the United Nations system. Examples include: school food and nutrition programmes, the rapid assessment, analysis and action planning in 17 sub-Saharan African countries, and increasing inclusion in PRSPs of a role for children and young people affected by HIV/AIDS.

135. But as the presentations and subsequent interventions made clear, there has not been sufficient action to address the rights of children and women made vulnerable by the pandemic. Agencies need to do more individually and together through such concrete opportunities as global initiatives like the Global Coalition on Women and AIDS and the Global Partners Forum on Orphans and Vulnerable Children; through efforts to strengthen the United Nations response to HIV/AIDS; and through United Nations reform and the TCPR.

136. The important links between the issues of affected children and women were highlighted, emphasizing that in particular, vulnerable children need access to sexual and reproductive health and rights in order to break the cycle of HIV transmission. Primary prevention and keeping parents alive are two of the most important strategies for reducing the vulnerability of children affected by HIV/AIDS. Tackling gender-based violence must be a key component of prevention strategies.

137. Speakers said that as a priority, the concerns of women and children made vulnerable by HIV/AIDS must be integrated into national development instruments such as PRSPs and national HIV/AIDS plans, as a priority. But at the same time, attention and support to the community level must increase, with an eye to strengthening community capacities to cope with the impacts of the pandemic. This included channelling resources to communities and tracking resources to ensure accountability.

138. It was also stressed that coordination of the global, regional, and national response to HIV/AIDS remains an immense challenge. The "three ones" principle provides a framework for addressing this, with an important emphasis on national ownership. This now needs to move beyond slogans to meaningful action on the ground. The United Nations system must promote and support action that is rights-based, gender-sensitive and nationally owned.

Gender

139. Following introductory remarks by the President of the UNDP/UNFPA Executive Board, the UNFPA Executive Director made a presentation on experiences and issues of gender mainstreaming. She underlined several examples of good inter-agency collaboration and pointed out the key challenges of insufficient resources for gender mainstreaming policies, the varying expertise of staff on gender issues; the limitations of gender-disaggregated data systems; and inadequate tracking, monitoring and accountability at significant levels.

140. The Director of the Women, Gender and Development Department of the African Union gave examples of institutionalized commitment to gender mainstreaming in the African Union, but also pointed out the weak ownership of the gender equality agenda by decision makers who often do not recognize that addressing gender issues and gender mainstreaming was a critical strategy for sustainable development.

141. In the ensuing discussion, members of the Executive Boards made a number of recommendations. For future joint meetings, it was suggested that there be one joint inter-agency document on gender, outlining common strategies and responsibilities, specific targets and accountabilities for gender mainstreaming in PRSPs, CCA/UNDAFs and government policies, and advocacy for linking the MDGs, the Convention on the Elimination of all Forms of Discrimination against Women and the ICPD Programme of Action. The document should include information on the agencies' resources, accountability and gender expertise. Targets and results should be expressed both qualitatively and quantitatively.

142. Speakers said that the agencies must work together on how to measure success in gender mainstreaming, in reducing inequalities between women and men, and to help countries to establish accountability systems in mainstreaming gender issues. The IMF and the World Bank should be more involved in gender mainstreaming strategies as I-PSPs are key development frameworks. Donors should increase their financial support to gender mainstreaming efforts. Simultaneously, agencies should devote institutional core resources to gender mainstreaming and women's empowerment and not rely on extrabudgetary funding.

143. It was suggested that community intervention must be a part of gender mainstreaming strategies to build community ownership and accelerate behavioural and policy change on gender issues. Gender mainstreaming must be accompanied by specific attention to women's empowerment. For their part, agencies need to build institutional accountability, develop capacities at all levels of staff, perform gender audits and gender-responsive budgeting, and develop base-line data and means for tracking change. The concept of gender mainstreaming and tactics to achieve it must be clarified.

Transition from relief to development

144. The President of the WFP Executive Board introduced the item, stressing that the United Nations can play a potentially important role in transition. The representative of WFP spoke about the progress to date of the Joint Working Group, saying that UNDG agencies were working together in post-natural disaster transitions (as in the Indian Ocean tsunami disaster), as well as in post-conflict transitions.

145. The UNICEF Executive Director said that the work of the UNDG Executive Committee on Humanitarian Affairs (ECHA) on transitions had a positive impact on the United Nations' ability to position itself for transition. The responsiveness of a strong resident coordinator system — combined with early support from the United Nations Office for the Coordination of Humanitarian Affairs – in the tsunami-affected countries was a positive example of progress. The Humanitarian Coordinator for Haiti presented a concrete example of how transition programming, following a natural disaster, is being tackled in the field. He reviewed the interplay of different United Nations structures in responding to the devastating floods of 2004, particularly the experience of collaborating with the United Nations peacekeeping mission.

146. Several delegations raised the importance of maintaining progress between the United Nations and the international financial institutions on developing creative options for financing for transitions. UNDGO was encouraged to extend its concrete partnerships to the regional development banks in addition to its ongoing cooperation with the World Bank. A number of delegations stressed the need to position transitioning programming firmly within government-owned processes and plans. The importance of capacity-building in this regard — though admittedly difficult in many post conflict-situations — was stressed. Several delegations mentioned that only with a longer-term outlook and longer-term assistance could the United Nations help address the structural causes that have led to conflict.

147. There was general agreement that the ECHA Working Group on Transition Issues should expand its work to include post-natural disaster transitions. Delegations expressed support for UNDGO plans to reinforce its support to country teams in this regard. Several delegations suggested that the lessons learned from tsunami recovery programming would be a useful starting point and potentially a good issue to discuss at a future joint meeting of the Executive Boards. Delegations approved of the Working Group's intentions to follow ongoing discussions on United Nations reform, including the High-Level Panel on Threats and Challenges. Several speakers said that non-governmental and informal discussions on reform should be viewed with caution, and that the agencies were guided in the area of transition primarily by resolutions of the Economic and Social Council.

148. The pivotal role of women in peace-building and rehabilitation processes was raised, with the particular example of El Salvador cited. Noting that gender had been identified by the Working Group as an area for further work, speakers encouraged UNDGO to pursue this.

149. Concluding the discussion, the President of the WFP Executive Board stressed: the need to clarify and agree on a common understanding of the word "transition"; the important role of UNDG in planning and implementing activities for transition (both post-conflict and post-natural disaster) and the need for the international financial institutions to fully engage with the UNDG agencies; the importance of the continuing direct needs of vulnerable populations in transition situations and the need for post-conflict needs assessments to reflect them; the need to ensure a humanitarian "space" in all United Nations missions; the need to examine the costs of coordination in transition situations; and the need for the Working Group to continue working on practical, field-based support rather than waiting for the conclusions of United Nations reform processes.

Simplification and harmonization

150. The Associate Administrator, UNDP, described the status of simplification and harmonization in light of General Assembly resolution 59/250 of 22 December 2004 on TCPR. His intervention preceded remarks by the 2004 Chairmen of the UNDG Programme and Management Groups on progress since the last joint meeting of the Executive Boards. The regional and country-level perspectives — highlighted by the Director, Africa Division, UNFPA, the Secretary, Economic Affairs Division, Government of Pakistan and the Resident Coordinator, Pakistan — focused on regional best practices and country-level implementation initiatives based on national ownership.

151. Expressing their commitment to United Nations reform and underlining the significance of the General Assembly resolution, delegations highlighted that the United Nations system was under scrutiny at the country level, and viewed the TCPR as a call for action to work more effectively and efficiently. They pointed to the need to look beyond internal procedures in order to align with other agencies and stakeholders at the country level. They urged UNDG to seek greater involvement of United Nations organizations and expand collaboration with the international financial institutions.

152. The absence of clear targets and timelines for implementing the TCPR recommendations during the period 2005-2007 raised concerns. Delegations looked forward to a timetable and harmonization plan at the 2005 Economic and Social Council organizational session, and stressed the importance of the March 2005 meeting of the Development Assistance Committee of OECD. They noted potential joint programming costs and overlapping agency roles, which could blur accountability and transparency. Several delegations questioned the desirability of pooling funding mechanisms for joint programming.

153. In general, delegations encouraged UNDG to follow up on UNDAF evaluations, establish joint guidelines on cost recovery, clarify accountability of pooling arrangements, issue practical country team guidelines on capacity-building and technical cooperation, strengthen the inter-agency focus on gender, intensify efforts to harmonize the CCA/UNDAF with national priorities, and expand pilot initiatives for joint offices to other countries. They underlined the value of joint needs assessments, common tools for crisis/post-crisis situations, integrated databases, and expanding regional coordination to avoid duplication and resource waste.

154. In response, UNDG representatives clarified that an implementation plan for 2005-2007 was being developed with clear, concrete targets and a timeline for implementation of the TCPR recommendations, in accordance with human and financial resource requirements. They noted that lessons learned from joint programming and previous UNDAFs would be collected to improve joint programming guidelines, originally developed in accordance with the first TCPR recommendations.

155. Underlining the importance of national ownership and the alignment of PRSPs with the MDGs, the secretariats stressed that CCA/UNDAF processes were systematically carried out based on national priorities laid out in PRSPs or similar strategies and in line with the commitments of the Millennium Declaration. *DevInfo*

had been developed to assist programme countries in monitoring progress at the national level.

156. Regarding the cost-benefits of simplification and harmonization, experience had proven that common premises, common services and joint offices had resulted in lower transaction costs and allowed greater development impact.

Part two
Annual session
Held at United Nations Headquarters, New York, from 13 to 24 June 2005

I. Organizational matters

1. The annual session 2005 of the Executive Board of UNDP and UNFPA was held at United Nations Headquarters, New York, from 13 to 24 June.

2. At the session, the Executive Board approved the agenda and work plan for its annual session 2005 (DP/2005/L.2 and Corr.1), as orally amended, and the report on the first regular session 2005 (DP/2005/14).

3. The Executive Board agreed in decision 2005/31 to the following schedule of sessions of the Executive Board in 2005 and 2006:

Second regular session 2005:	6 to 9 September 2005
First regular session 2006:	23 to 27 January 2006
Annual session 2006:	12 to 23 June 2006 (Geneva)
Second regular session 2006:	11 to 15 September 2006

4. The introductory statement by the President is available at www.undp.org/execbrd.

5. Decisions adopted by the Executive Board at the annual session 2005 were included in document DP/2005/30 accessible at www.undp.org/execbrd.

Statement by the Administrator

6. In his departing address to the Executive Board, the Administrator, UNDP, spoke fondly of his six years with the organization, noting with pleasure its many achievements during his tenure. He drew attention to the resource situation — improved by some 40 per cent in five years — and the expanding UNDP reputation as advisor, advocate and champion of people-centred development.

7. Underlining that these achievements better position UNDP to ensure country-driven, nationally owned solutions to development challenges, he stressed that in the previous five years UNDP had become:

(a) Focused and effective, with 95 per cent of programming expenditures allocated in the five practice areas;

(b) Field-oriented, characterized by subregional resource facilities and regional centres, shifting the organizational centre of gravity to the country level;

(c) Knowledge-based, with knowledge management systems interlinked via its global network offering development solutions worldwide when needed;

(d) People-oriented, through investments in training and alignment of promotion with merit; and

(e) Responsive to country needs, making the Millennium Development Goals (MDGs) a social contract for programme countries, donors, United Nations organizations and international financial institutions (IFIs), and conscious of emerging global opportunities.

8. The Administrator stressed the importance of 2005 as a breakthrough year, drawing attention to the three pillars set by the Secretary-General as the cornerstone of his reform plan — development and humanitarian action, peace and security, and human rights and the rule of law. He emphasized the central role that UNDP must play in each in order to tackle the MDGs, and underscored the interconnectedness of

debt relief and the provision of aid. He saw a growing role for UNDP, particularly its work in capacity building to help countries reach the MDGs.

9. Highlighting UNDP efforts to strengthen the resident coordinator system, he stressed the vital move to free resident coordinators' hands by appointing country directors in 40 pilot countries. He expressed regret that donor countries had not been more forthcoming in their agreed financial support for that endeavour.

10. He thanked Board members for their support during his tenure, assuring delegations and staff that the Administrator-designate, Mr. Kemal Dervis, was the right person to lead UNDP into the future.

11. The Executive Board adopted decision 2005/15 — Expression of appreciation to Mark Malloch Brown, Administrator of UNDP from 1999 to 2005.

12. The remarks by the Administrator were available at www.undp.org/execbrd.

UNDP segment

II. Multi-year funding framework

13. The Executive Board reviewed the multi-year funding framework (MYFF) report on UNDP performance and results for 2005 (DP/2005/16), the reports of the Joint Inspection Unit (DP/2005/16/Add.1) and the statistical annex (DP/2005/16/Add.2).

14. Delegations commended UNDP for its balanced presentation of analysis and results, noting improvements in strategic focus and responsiveness to country demand, the alignment of programming priorities with the MYFF, and the commitment to results-based management. They expressed appreciation for UNDP performance at the global level.

15. A few delegations encouraged UNDP to provide a more concise trend analysis in the future, drawing attention to areas for improvement. They sought advances in the presentation of performance findings and a refined method for measuring progress, and pointed to the need for follow-up to the findings, particularly towards achieving gender equality and gender mainstreaming. Suggestions were made for promoting South-South solutions and on the recommendations of the report of the Commission for Private Sector and Development — areas that the MYFF report had identified for further attention.

16. Recognizing the interconnectedness of security and development, some delegations encouraged UNDP to continue to play a role in peacebuilding activities. It was suggested that UNDP broaden its work in energy and environment and in responding to HIV/AIDS. Some delegations underscored the importance of country ownership over the development agenda.

17. Delegations encouraged UNDP to continue efforts towards simplification and harmonization of United Nations operations at the country level through its pivotal role as custodian of the resident coordinator system. Delegations advised that the UNDP role should be defined by the triennial comprehensive policy review (TCPR) (E/2004/68) endorsed in General Assembly resolution 59/250.

18. Noting that UNDP resources had grown significantly in 2004, delegations encouraged countries in a position to do so to ensure a long-term, stable resource base for the organization, particularly in terms of regular resources.

19. The Board requested an executive summary and a flow diagram showing the results chain in future MYFF reports, and selected 'capacity development' as the theme for the annual 2006 report. The Board also requested, for its first regular session 2006, a timeline for the preparation and consultation process of the end-of-cycle assessment of performance, 2004-2007, and the preparation of the MYFF, 2008-2011.

20. The Associate Administrator thanked delegations for their comments and feedback. He acknowledged the need for the continued focusing of UNDP support, especially in helping countries achieve the MDGs. He responded to a range of queries, explaining that gauging the contribution of South-South cooperation in UNDP support would require time, since South-South solutions were only adopted as a driver of development effectiveness in the MYFF late in 2004. He assured delegations that UNDP was prepared to meet the challenge of achieving gender equality. On follow-up to the report of the Commission for the Private Sector and Development, he illustrated the steps taken by UNDP in partnership with national counterparts, focusing on local private-sector development. He indicated that UNDP would consider presenting performance findings on a country-by-country basis.

21. The Programme Advisor, Operations Support Group, UNDP, drew attention to MYFF quality-assurance mechanisms, particularly expanded internal audits at the country-office level and oversight by regional bureaux. Pointing out that UNDP had closely followed the proposals for MYFF reporting approved by the Board in decision 2004/1, she assured delegations that UNDP would continue to improve its documentation.

22. The Executive Board adopted decision 2005/20 on the MYFF: report of UNDP performance and results for 2004, and reports of the Joint Inspection Unit, and took note of the statistical annex (DP/2005/16/Add.2).

III. Funding commitments

23. In discussing the status of regular funding commitments to UNDP and its associated funds and programmes for 2005 and onward (DP/2005/17), delegations were pleased that total income for 2004 had reached $4.1 billion.

24. Delegations expressed satisfaction that UNDP was on track to meeting the 2007 MYFF target of $1.1 billion in core resources. They urged donor and programme countries to adhere to multi-year pledges to core resources. The Board requested that countries consider supplementing their 2005 contributions to accelerate the rebuilding of the core resource base.

25. Delegations made observations and queries, including: requests for: greater financial burden-sharing among Member States; why programme country contributions to core had decreased; attention to aid effectiveness by urgently implementing the Paris Declaration; and how exchange rate fluctuations affected resources and programme delivery.

26. The Assistant Administrator and Director, Bureau for Resources and Strategic Partnerships, UNDP, acknowledging the concerns, stressed that the growth in core resources was real. He underscored the need to factor into any resource mobilization strategy the potential of non-core contributions, which could increase significantly thanks to donor confidence. He reiterated the UNDP commitment to ensuring growth in programme country contributions and expansion of the resource base, stressing that UNDP was committed to development effectiveness and following up on the Paris Declaration.

27. The Executive Board adopted decision 2005/23 on the status of regular funding commitments to UNDP and its associated funds and programmes for 2005 and onward.

IV. Programming arrangements

28. The Executive Board discussed the mid-term review of successor programming arrangements for 2006-2007 (DP/2005/18), in accordance with decision 2002/10, which extended the programming period to four years and requested a mid-term recalculation of target for resource assignment from the core (TRAC) line 1.1.1, based on gross national income and population data.

29. In the review, UNDP sought Board approval for three proposals: (a) recalculated TRAC line 1.1.1 earmarkings for 2006 and 2007; (b) changes in the earmarkings between TRAC lines 1.1.1 and 1.1.2 for available new resources over the base total programming level of $450 million, used to address urgent national capacity development needs; and (c) a predictable $3 million level of annual funding for the Programme of Assistance to the Palestinian People.

30. In the *first proposal*, two options were laid out: (a) take into account all countries reflecting upward or downward revisions to their initial annual TRAC 1.1.1 earmarkings; or (b) consider only countries reflecting upward revisions to their initial annual TRAC 1.1.1 earmarkings.

31. Most delegations voiced their preference for option two, while underlining the need to protect the least developed countries (LDCs). Others opted to maintain the existing system.

32. In general, delegations suggested reviewing TRAC methodology when preparing the new 2008-2011 cycle with more fixed criteria. They requested a report of programming arrangements for capacity building for 2005-2007 outlining the incentive system applied. In its decision, the Board opted to maintain existing TRAC line 1.1.1 earmarkings for 2006 and 2007.

33. Responding to the *second proposal*, delegations expressed strong support for assistance to LDCs and low-income countries (LICs) in overcoming capacity constraints and to achieve greater financial country-level flexibility for UNDP.

34. Noting that UNDP would target countries with good performance and results, delegations encouraged UNDP to ensure that TRAC 1.1.2 would be allocated based on objective criteria. They stressed the importance of donor coordination and United Nations system coherence. UNDP was encouraged to use all relevant sources to determine capacity constraints, including national development planning cycles and the poverty reduction strategy papers (PRSP) process.

35. In its decision on the *second proposal*, the Board opted to change the ratio of internal earmarking between TRAC 1.1.1 and 1.1.2 from 60-40 per cent to 50-50 per cent, eliminate the limitation on country allocations between TRAC 1.1.1 and 1.1.2, and introduce a flexibility of up to 10 per cent to facilitate some movement of TRAC 1.1.2 resources between regions.

36. Delegations, expressing support for the *third proposal*, approved in their decision a $3 million level of annual funding for PAPP.

37. The Assistant Administrator and Director, Bureau of Management, UNDP, acknowledged requests for a more analytical document on capacity building based on the MYFF and evaluation reports, and the need to ensure that revision of programming arrangements coincided with the subsequent MYFF period. He clarified that the MYFF and programming arrangements were underpinned by the biennial support budget and programme financing. The mid-term revision was necessitated by the increase in the programme finance period to provide latest information.

38. He stated that option one was cost neutral whereas option two required an additional $8.2 million, to be gleaned from the $450 million base. He explained that TRAC 1.1.1 could and should be used to address capacity constraints; the purpose of increasing TRAC 1.1.2 was to provide resources as incentives for good programming to deal with MDG capacity constraints. The assigning of TRAC 1.1.2 was based on programme and operational effectiveness as identified in the MYFF. He affirmed that any attempt to replace GNI criteria must first account for the requirements of most needy countries.

39. The Senior Advisor, Bureau for Resources and Strategic Partnerships, UNDP, stressed the importance of viewing the proposal for TRAC 1.1.2 in the context of UNDP efforts towards United Nations reform and the efforts of programme countries to achieve the MDGs. National development strategies formed the basis for financial provisions to programme countries. Based on those collaborative efforts, UNDP was able to define where TRAC 1.1.2 resources would be funnelled, enhancing absorptive capacity for aid management and effectiveness — without conditionality or change in criteria and without surpassing its legislative mandate.

40. The Executive Board adopted decision 2005/26 on the mid-term review of successor programming arrangements.

V. Human Development Report

41. The Director, Human Development Report Office (HDRO), presented the update on *Human Development Report* consultations (DP/2005/19), in accordance with General Assembly resolution 57/264, which invited the Executive Board to include it annually on its agenda.

42. Delegations commended HDRO for organizing five constructive informal consultations with Members States in preparing the global report. They acknowledged the strengthening of HDRO statistical work, stressing that although HDRO is not responsible for the basic data collection, it must ensure that data used is objective and of the best quality.

43. Several delegations reiterated their support to the editorial independence of the HDR, acknowledging its contribution to development thinking. Pleased with the maintenance of neutrality, independence and transparency, delegations expressed interest in playing a direct role in choosing HDR thematic areas. There was an appeal to continue the discussions of thematic proposals via HDR-Net, and support for the suggestion to explore 'equality' as the theme of an future HDR.

44. Delegations encouraged HDRO to make the most of the information, knowledge and experience available through country office engagement with governments and their statistical databases. They urged the Office to collaborate with United Nations agencies at the country level to harmonize data collection and compilation, and to align national, regional and global HDRs in accordance with General Assembly resolution 57/264 and the 2004 TCPR.

45. The Director, HDRO, underlined the Office's investments in gathering reliable statistics and working with national statistical offices and United Nations organizations to rectify discrepancies. For that purpose, HDRO was creating a specific position in its statistical team. Highlighting HDRO interest in expanding the consultation process to include Member States, he noted the need to strike a balance between editorial independence and responsibility.

46. The Executive Board took note of the update on *Human Development Report* consultations (DP/2005/19).

VI. Country programmes and related matters

47. The Executive Board reviewed the UNDP global programme, 2005-2007 (DP/GP/1/Rev.1), extensions of country cooperation frameworks the Democratic Republic of the Congo and Liberia (DP/2005/20), the draft regional programme document for Europe and the Commonwealth of Independent States (CIS) (DP/RPD/REC/1), and the draft subregional programme for the countries of the Organization of Eastern Caribbean States (OECS) and Barbados (DP/DSP/CAR/1), originally submitted at the first regular session 2005.

48. The Board commented on the draft country programme documents for Burkina Faso, Ghana, Namibia, Uganda; Cambodia, China, Viet Nam; Albania, Belarus, Bulgaria, Georgia, Turkey, Ukraine; Peru and Turks and Caicos. UNDP would incorporate the comments in its country programme documents prior to finalization and approval at the first regular session 2006. Finalized country programmes would be posted on regional bureau web sites by end of October 2005.

49. On the draft regional programme document for Europe and the CIS, delegations commended UNDP for the coordinated consultation process. They urged UNDP to focus on energy and natural resource issues, underlining the importance of overcoming the consequences of the Chernobyl catastrophe, and coordinating on cross-border trafficking in cooperation with governments and civil society. They encouraged UNDP to remain impartial and respect national ownership, focus on the most needy countries, address social exclusion issues, provide details on regional integration, and ensure transparency in running the Bratislava regional centre.

50. Regarding the global programme, delegations commended UNDP for a constructive consultation process and resulting clear, coherent programme in line with the MYFF and TCPR recommendations. They expressed approval of the

concept, the shift to local capacity building, the links between MDGs and practice areas, the emphasis on South-South cooperation, and the approach to HIV/AIDS. They stressed the need for a rights-based approach and sought clarification of the UNDP relationship with the United Nations Development Fund for Women (UNIFEM) and the United Nations Development Group (UNDG). They underscored the importance of national ownership in programme design, and expected UNDP to report regularly on implementation progress in cooperation with programme countries.

51. The Executive Board adopted decision 2005/16 on the UNDP global programme, 2005-2007; took note of the draft country programme documents and the comments thereon; took note of the first extensions of the country cooperation frameworks for the Democratic Republic of the Congo and Liberia for a period of one year from 1 January 2006 to 31 December 2006 (DP/2005/20); took note of the draft regional programme document for Europe and CIS, 2006-2010 (DP/RPD/REC/1); and approved the subregional programme for the countries of the Organisation of Eastern Caribbean States (OECS) and Barbados.

VII. United Nations Capital Development Fund

52. The Executive Board reviewed the United Nations Capital Development Fund (UNCDF) business plan, 2005-2007 (DP/2005/22), and the results-oriented annual report (DP/2005/21), submitted in response to decision 2005/5, indicating that the Fund should remain independent with closer financial ties to UNDP, focusing on poverty reduction and achieving the MDGs in the least developed countries (LDCs).

53. Many delegations expressed support for the work of the Fund in local governance and micro-finance, citing the results of the recent impact assessment, which found UNCDF to be effective, results-oriented and focused. One delegation cited more transparent, participatory and accountable local governance thanks to the Fund's work, and commended UNCDF for adhering to principles of national ownership. Others suggested that the Fund's poverty reduction strategies and policy impact were models for replication.

54. Some delegations felt that the business plan was too ambitious and the implementation plan unclear, and sought clarification regarding time horizons, benchmarks and resources. There was an appeal for details on the impact of UNCDF interventions. The Board called on the Administrator to appoint a new Executive Secretary as soon as possible.

55. Delegations expressed support for UNCDF decentralization and regionalization efforts, and requested further information on common services and cost-sharing arrangements, which should be mainstreamed in the biennial support budget (with a separate section on UNCDF) to be submitted to the Board at its second regular session 2005. They requested a report at the first regular session 2006 on UNCDF budgeting and programming decision-making processes.

56. Stressing the importance of a solid, predictable core funding base, delegations expressed concern that UNCDF continued to be funded by a limited number of donors, and urged others in a position to do so to make additional pledges, including via funding of the Investing in the LDCs Trust Fund. They stressed the need to boost local absorptive capacity. In its decision, the Board encouraged Member States,

particularly LDCs, to provide advocacy support to assist UNCDF in its resource mobilization efforts.

57. The Deputy Executive Secretary and Officer-in-Charge, UNCDF, drew attention to efforts to strengthen financial and programming ties between UNDP and UNCDF. She underscored UNCDF successes in building micro-finance institutions and enabling environments, and indicated that UNCDF would provide details on the budget, financial integration and legal arrangements at a future Board session. She reiterated the importance of predictable multi-year funding, adding that UNCDF was collaborating with country offices to pinpoint resource mobilization strategies.

58. The Executive Board adopted decision 2005/29 on the UNCDF business plan, 2005-2007: Investing in the LDCs to achieve the Millennium Development Goals, and took note of the results-oriented annual report (DP/2005/21).

VIII. United Nations Office for Project Services

59. The Executive Board reviewed the annual report (DP/2005/23) of the United Nations Office for Project Services, and a progress report on the preparation of an action plan to enhance the efficiency of business operations and achieve financial viability (DP/2005/CRP.10).

60. Delegations commended the Executive Director for his leadership in managing UNOPS. While pleased with the business and financial results and projections, they drew attention to the need to adhere to full cost-recovery principles in its operations, develop a new pricing method — which would be outlined at the second regular session 2005 — revise its financial rules and regulations to, inter alia, maximize the potential of Atlas, and continue decentralizing and rationalizing its office structure. They requested that UNOPS submit documentation punctually to the Board.

61. Delegations generally approved of the shift to work in post-conflict situations, although some wondered about its risk and risk management requirements. Several delegations expressed support for UNOPS as a separate, self-financing entity. Most saw a clear niche and demand for its services, and felt confident about the positive business and financial trends.

62. The Executive Director, UNOPS indicated that revisions to the financial rules and regulations would be tabled at the first regular session 2006, following informal consultations. While highlighting the challenges of Atlas roll-out, he pointed to UNOPS increasing efficiency in utilizing Atlas. He reaffirmed that options for sustained viability would be detailed in the forthcoming action plan, which would present options for lowering the cost base, fostering flexibility, simplifying decision-making, and enhancing country-level presence. UNOPS was engaged in a dialogue with UNDP regarding current service provision and future trends.

63. The Executive Board took note of the report of the Executive Director (DP/2005/23) and the progress report on the status of the preparation of a comprehensive action plan (DP/2005/CRP.10).

IX. United Nations Development Fund for Women

64. In discussing the report on implementing the MYFF of the United Nations Development Fund for Women (UNIFEM) for 2004 (DP/2005/24), delegations commended UNIFEM for a well-structured, informative report. They expressed support for UNIFEM and encouraged UNDG organizations to take advantage of the Fund's experience and expertise, especially as a facilitator and advocate for gender equality in programme countries and in spearheading actions recommended in the Beijing Platform for Action and the Convention on the Elimination of All Forms of Discrimination Against Women.

65. They noted the Fund's successful field-level approach based on programme country needs, underlined the importance of training and the involvement of men, and stressed the central role that UNIFEM should continue to play in advocating gender equality as a pillar to achieving the MDGs. There was an appeal to ensure a gender perspective in all programming instruments, particularly the common country assessment (CCA) and the United Nations Development Assistance Framework (UNDAF), and to adopt human rights-based programming with a staunch gender element and close UNIFEM involvement.

66. Stressing the importance of the UNDP-UNIFEM partnership and recognizing the Fund's pivotal contribution to United Nations reform, delegations expressed approval for the agencies' collaborative efforts towards cooperation, harmonization and efficient use of resources at the country level.

67. Delegations raised concerns about the high prevalence rates of women with HIV/AIDS and emphasized the need to increase women's role in decision-making, especially in post-conflict and peace-building activities. They applauded UNIFEM for fostering innovative approaches to gender equality and promoting gender-responsive budgeting and policies promoting human rights-based programming, and encouraged all United Nations organizations to follow suit, in particular by issuing regular gender mainstreaming reports. Praising UNIFEM work in combating feminized poverty, delegations reiterated the importance of the gender approach to achieving poverty reduction, especially for indigenous populations.

68. UNIFEM was asked to provide further analysis in the context of the TCPR, the Millennium Project and the Commission on the Status of Women. One delegate called on UNIFEM to ensure that its assistance in programme countries was provided solely upon request and in line with the principle of national ownership.

69. Noting the increase in both regular and other (non-core) resources, delegations urged all countries in a position to do so to continue to support UNIFEM financially through stable multi-year pledges and to contribute to the UNIFEM-managed Trust Fund to End Violence Against Women.

70. The UNIFEM Consultative Committee, comprised of five Member States, each representing a region, noted in its independent assessment (A/60/62-E/2005/10) the inadequate understanding of gender mainstreaming throughout the United Nations system, and called on all agencies to account for their performance. Pointing out that the Fund's core resource base had not expanded commensurately with its mandate, the Committee urged Member States to increase funding, especially to the United Nations Trust Fund to End Violence Against Women. To enhance UNIFEM

influence, the Consultative Committee requested that the post of Executive Director be elevated to the level of Assistant Secretary-General.

71. The Executive Director, UNIFEM, underlining the importance of Board and Consultative Committee guidance for the successful implementation of the UNIFEM mandate, framed her answers around three strategic areas: HIV/AIDS, gender mainstreaming, and advocacy. She drew attention to UNIFEM engagement at the local level with youth, men, and faith-based organizations on HIV/AIDS prevention and treatment to break the stigma, and through union-supported employer-employee arrangements to bring the issue to the fore. She stressed the importance of strategic partnerships, pointing to successes in cross-gender working arrangements to ensure voting rights in Afghanistan.

72. The mainstreaming of HIV/AIDS and human rights through the High Commission on Human Rights, she said, demonstrated the necessity of advocacy at the highest levels. She emphasized the vital, often-overlooked role played by local voices in putting women's issues on the global and national agenda. Local communities had influenced decision-making, improved resource mobilization, and increased media attention to such issues as violence against women. She stressed the effectiveness of a holistic approach to dealing with migration, trafficking and organized crime. The best route to peace and development, she asserted, was via women's role in development.

73. The Executive Board adopted decision 2005/22 on the UNIFEM midterm report on the multi-year funding framework.

X. Gender in UNDP

Gender human resource issues

74. The Executive Board reviewed the oral presentation on achievements and challenges in gender human resource strategies and balance, noting the Gender and Diversity in Management Scorecard established to monitor UNDP progress in corporate gender equality.

75. Delegations expressed satisfaction with UNDP efforts to achieve gender balance in human resources and encouraged the organization to pursue them further, especially in recruiting qualified women — particularly from developing countries — for senior-level positions. They stressed the need for gender training at all levels, especially for national officers, and the importance of men's involvement.

76. The Director, Office of Human Resources, UNDP, affirming efforts to sensitize UNDP culture to gender issues, pointed to several corporate initiatives for gender equality, including in recruiting national officers and international staff in country offices. In stating his preference for 'selective intervention' as opposed to 'affirmative action', he stressed that UNDP management sought to 'intervene' to ensure gender equality based on equal rating and merit in recruitment. Targets for women were set in all corporate recruitment exercises. For example, UNDP had nearly reached its target of 70 per cent women's participation by 2005, when 62 per cent of participants in the resident coordinator assessment exercise were women.

Corporate gender strategy and action plan

77. The Executive Board reviewed the corporate gender strategy and action plan for 2005 (DP/2005/7 and Corr.1) and its explanatory note (DP/2005/CRP.9).

78. Underlining the basic directives on gender contained in the MYFF and TCPR 2004 endorsed by General Assembly resolution 59/250, delegations reiterated that gender must be a corporate priority and a central vehicle for achieving the MDGs. Delegations thanked UNDP for the gender strategy and action plan, which they felt demonstrated progress since the first regular session 2005. Some delegations felt that the organization needed to work harder on gender issues and urged UNDP to follow up urgently.

79. Some delegations wondered how gender mainstreaming would be funded once the gender thematic trust fund was exhausted. UNDP should consider using core resources and multi-year predictable pledging to guarantee sustainable gender mainstreaming. Delegations recommended that future budgets and the MYFF should allocate a specific part of their funding to gender. They emphasized the importance of training all staff members, especially in the areas of crisis and post-conflict, and urged UNDP to capitalize on UNIFEM experience and expertise. Stressing the importance of national ownership, there was an appeal for UNDP to avoid programming activities that might cause it to surpass the limits of its mandate.

80. Delegations looked forward to further discussions and requested a medium-term action plan containing results indicators, country-level sex-disaggregated data and an explanation of monitoring mechanisms. The plan should reflect the findings of the gender mainstreaming evaluation and build on the management response at the first regular session in January 2006.

81. The Assistant Administrator and Director, Bureau for Development Policy, UNDP, assured delegations that their comments and those from the gender evaluation exercise would be reflected in the multi-year action plan, which would be submitted to the Board together with the management response at the first regular session 2006. He reiterated the organization's commitment to mainstreaming gender in all programming activities, tracking the impact of gender programmes and resource allocation, and working closely with UNIFEM.

82. The Executive Board adopted decision 2005/27 on gender in UNDP.

XI. Evaluation

Preliminary findings on the gender mainstreaming evaluation

83. Delegations commended UNDP for performing the gender mainstreaming evaluation, though many expressed concern with the preliminary finding that overall progress was variable and limited. Recognizing the difficulty in gathering reliable gender data, they stressed the importance of monitoring and evaluating gender-mainstreaming initiatives. They emphasized the merits of a gender-based approach to development, underlined the importance of staff training, and hoped that empirical evidence and recommendations from the evaluation would be reflected in the UNDP multi-year gender strategy and action plan.

84. Noting the importance of adequate funding, some delegations called on UNDP to utilize core resources for gender programming and made an appeal to discuss

gender in tandem with the biennial support budget at the second regular session 2005. Others stressed the importance of national ownership and the sensitivities of gender work at the field level. Delegations asked how UNDP would address the shortcomings identified by the evaluation and requested a comprehensive management response at the first regular session 2006.

85. The Team Leader, Evaluation of Gender Mainstreaming in UNDP, thanked delegations for their comments and emphasized the importance of focusing on practical, feasible proposals to improve gender mainstreaming. She underlined the need to motivate staff and suggested that knowledge of gender issues be a required competency for senior positions. She pointed to the lack of gender-analysis capacity in country offices, and stressed that progress could not depend solely on few committed people. She stressed the limits of relying on non-core funding of gender mainstreaming activities and the importance of maintaining the gender dimension corporately. She underlined the need for staff training at all levels; the key role of programme country governments; and stronger United Nations inter-agency collaboration.

86. The Director, Evaluation Office, UNDP, affirmed that an executive summary of the evaluation would be available at the second regular session 2005, while the management response would be submitted at the first regular session 2006.

87. The Executive Board took note of the oral presentation of the preliminary findings of the gender mainstreaming evaluation.

Annual report of the Administrator on evaluation

88. In reviewing the annual report of the Administrator on evaluation (DP/2005/25), delegations commended UNDP for a detailed, well-balanced report describing results achieved and challenges faced. Delegations were pleased with the information on follow-up to the evaluation and the listing of evaluations conducted. Delegations noted the increase in the number of outcome evaluations over the previous year but expressed concern over the low number of evaluations in Africa and the Arab States, and in the thematic area of HIV/AIDS. Delegations commented positively on the progress in simplification and harmonization through the United Nations Evaluation Group (UNEG).

89. Delegations encouraged UNDP to work toward greater quality and coherence in evaluations, particularly at the country level. UNDP was urged to select programmes to be evaluated in consultation with programme country governments and to involve stakeholders. It was suggested that evaluation costs should be built into work plans. Delegations appreciated the focus on capacity building and encouraged UNDP to engage more intensively in training national staff. Greater attention to improving the quality of decentralized evaluations and translating findings into learning was recommended. UNDP was encouraged to enhance synergy with other funds and programmes, particularly through joint evaluations, in line with TCPR and other declarations. Delegations endorsed the preparation of a UNDP evaluation policy in line with UNEG norms and standards, a follow-up and tracking system for evaluation recommendations, and a management response.

90. The Director, Evaluation Office, acknowledged the challenges of coverage and incidence of evaluation, while noting that the Arab States situation should be viewed within the context of ongoing country programme cycles. The Director

assured delegations of UNDP commitment to raising the level of evaluation in Africa. She noted that coverage itself was not such a critical issue as quality in result areas of strategic value. The Director noted that the new policy based on United Nations norms and standards would help improve quality, and that tracking follow-up through the Evaluation Resource Centre would contribute to better use of evaluations. The Director stated her commitment to rectifying an inaccurate statement in a recent evaluation, as pointed out by a Board member, and described initiatives with other United Nations agencies through UNEG, notably a joint review of UNDAF evaluability; the piloting of new forms of UNDAF evaluation; and a proposed joint evaluation of United Nations system impact at the country level.

91. The Executive Board adopted decision 2005/21 on the annual report of the Administrator on evaluation 2004.

XII. Financial, budgetary and administrative matters

92. The Executive Board reviewed the report on the criteria for the determination of project-specific cost recovery rates (DP/2005/CRP.5), and the revisions to the UNDP financial regulations (DP/2005/CRP.6).

93. Delegations reiterated that all agencies should harmonize their cost recovery principles, and commended UNDP collaboration with the UNDG Management Group. Emphasizing that recovered costs must flow back into the United Nations system and not to country offices, they stressed the importance of full cost recovery for implementing activities financed from UNDP third-party cost sharing, trust fund contributions and programme-country cost sharing. They stressed the importance of ending cross-subsidization and ensuring transparency. There was an appeal for further details on global cost-recovery criteria, and to ensure that costs were attributed to actual funding sources. UNDP should ensure that each source of funding covered its proportional share of management and programme support.

94. Delegations noted that improper implementation would lead to less donor funding of core and more to earmarked contributions. It was stressed that cost-sharing criteria should be adapted to each country situation, with UNDP possibly setting a ceiling. Requesting more detailed analysis, Board members requested at its second regular session 2006 a report on the practice of determining specific cost-recovery rates criteria based on, inter alia, funding and execution modalities and management costs in different countries.

95. Delegations generally accepted the proposed changes to the financial regulations. In its decision, the Board approved, on a three-year provisional basis, the proposed changes to the regulations contained in document DP/2005/CRP.6; requested that all transactions made during the period of waived separation of duties be subject to ex post facto review; and requested a Board of Auditors' assessment of the implementation of those changes at the end of the three-year trial period, within the context of the biennial audit.

96. The Assistant Administrator and Director, Bureau of Management, speaking of the determination of cost-recovery rates, cited the variance in workload based on national execution arrangements as an example of the need for flexibility. He recognized donor and programme country concern for improving rate determination criteria to improve project implementation. He stated that while UNDP had

improved data collection capacity, results-based budgeting data would only be ready in 2007. He pointed to a harmonization of cost recovery practices system-wide via the UNDG High-level Committee on Management.

97. The Deputy Assistant Administrator, Bureau of Management, and Director, Office of Planning and Budgeting, UNDP, assured delegations of the UNDP commitment to reporting on the implementation of the corporate cost-recovery strategy through informal consultations before the full report in 2007. She stated that UNDP would reflect cost realignment in the biennial support budget being submitted at the second regular session 2005. She affirmed UNDP efforts to refine cost-recovery rate criteria both within the organization and through the UNDG Management Group.

98. The Executive Board adopted decision 2005/17 on the revision of UNDP financial regulations (follow-up to decision 2005/1); and decision 2005/18 on UNDP strategic cost management and implications for cost recovery.

Joint UNDP/UNFPA segment

XIII. Internal audit and oversight

99. The Executive Board reviewed the reports on internal audit and oversight of UNDP (DP/2005/26 and Corr.1), UNFPA (DP/FPA/2005/9) and UNOPS (DP/2005/27).

100. *UNDP*. Appreciative of the detailed presentations, delegations welcomed the new framework, commended UNDP for its steps to implement past recommendations, and encouraged agencies to implement improvements in a harmonized fashion. They stressed the importance of monitoring and oversight as key elements for efficiency and programme impact. Underlining the need for sound financial management, there was an appeal to analyze audit shortcomings in future reports; enhance internal control mechanisms; step up audit coverage at headquarters; and conduct high-risk profiling exercises, especially in country offices.

101. Expressing approval for the comprehensive risk assessment exercise, delegations requested detailed information on measures to implement audit recommendations in country offices, and pointed to the need for an audit tracking system and for training national staff in international audit standards. They requested the status of efforts to recruit an Audit Section Chief, and sought a management response to the internal audit report at a future session.

102. Recognizing the potential of Atlas to improve financial management, delegations expressed concern that implementation was long, incurring large financial and human resource costs. There was an appeal to conduct an evaluation of Atlas cost-benefits, advantages, shortcomings and relevance, and report back to the Board on a regular basis.

103. The Comptroller, Bureau of Management, UNDP, acknowledging delegations' concerns, assured the Board that while Atlas implementation was tedious, 2005 would prove better. Atlas advantages/disadvantages would become clear through an upcoming internal review. External access to Atlas would commence with wave

two, although there were security issues. He drew attention to Atlas quality-control mechanisms to track audit recommendations and identify common trends, noting that the internal control framework was an evolving document. He stressed the lack of audit interpretation skills at the local level, for which UNDP had launched a certification programme, and noted efforts to harmonize resource transfer modalities. UNDP would organize informal consultations on the status of Atlas audit mechanisms as needed.

104. The Director, Office for Audit and Performance Review, UNDP, drew attention to two recent Atlas reviews of: cost implementation, which was under finalization; and control framework and compensatory controls, which was completed. She assured delegations of UNDP commitment to follow up on recommendations; conduct training; incorporate analysis of audit issues into risk assessment methods; and collaborate with United Nations organizations.

105. The Director of External Audit (South Africa), United Nations Board of Auditors, stated that the Board of Auditors would assess the Atlas reviews and issue a report to the General Assembly in September 2006.

106. *UNFPA*. The Deputy Executive Director (Management) introduced the UNFPA report on internal audit and oversight activities in 2004 (DP/FPA/2005/9).

107. Delegations acknowledged the measures taken to address audit recommendations, encouraging UNFPA to refine the methodology for tracking their implementation. They welcomed the improved presentation and readability of the UNFPA report and noted that it demonstrated the benefits of introducing a comprehensive audit and recommendations database system.

108. Delegations noted that UNFPA had gone from a qualified opinion to an unqualified opinion by the Board of Auditors on its financial statements, signalling improvements in financial management. One delegation sought assurances that the organization was also committed to a competitive recruitment process and performance evaluations, and asked if UNFPA had a conflict-of-interest policy. Some delegations requested an explanation concerning the decline, since 2002, in the number of audit reports issued each year.

109. Delegations asked that future reports include the criteria used to select offices to be audited, as well as information about the underlying causes of audit findings and the management response. They asked what was being done to address the audit findings in country offices and to mainstream lessons learned. They underscored the importance of providing adequate training to equip staff to interpret audit findings and devise follow-up plans. One delegation requested information on the participation of the Audit Services Branch in inter-agency working group initiatives on simplification and harmonization.

110. Delegations suggested that future reports include: comparisons with findings from the previous year and between regions; number of recommendations issued within each thematic area; percentage of project audit coverage; percentage of qualified audits; and number of project audit recommendations implemented.

111. To improve the governance structure, delegations suggested that UNDP and UNFPA request the United Nations Board of Auditors to present its report to the Executive Board. They encouraged UNFPA and UNDP to establish criteria to rate audit compliance of country offices objectively.

112. Delegations requested regular updates on the status of Atlas, its challenges, solutions and next steps. Delegations inquired about the independent review of the internal controls in Atlas, requested information about its costs and benefits and asked if an evaluation of its relevance had been undertaken.

113. The Deputy Executive Director (Management) thanked the delegations for their comments and guidance, and noted that the comments made by UNDP concerning Atlas also pertained to UNFPA. She pointed out that the Division for Oversight Services was established in 2003, prior to which audits were carried out by the UNDP Office of Audit and Performance Review. The transition had taken some time, but an increase in the number of audits was now expected. She assured the Executive Board of UNFPA commitment to competitive recruitment, performance evaluations, and improving programme management, and confirmed that a conflict-of-interest policy was included in the Fund's personnel and procurement policies and in the code of conduct.

114. She noted that the Fund's Audit Services Branch communicated with country offices and headquarters divisions on audit issues. Training was provided to enable staff to improve the management of offices and programmes. She welcomed the suggestion that the United Nations Board of Auditors present its report to the Board. She observed that UNFPA had been involved in simplification and harmonization initiatives, including for preparing the terms of reference for audits of projects executed by governments and non-governmental organizations (NGOs).

115. The Director, Division for Oversight Services, stated that UNFPA would work with its sister agencies on standardizing audit ratings. He noted that defining a risk universe was difficult, and concurred that audit analysis should not be restricted to financial impact. He underscored that the audit findings in the report were drawn from a small sample and did not mean that things were getting worse. He confirmed that Atlas provided real-time information on expenditures and budgets and a good method for fraud detection. He thanked the Board members for their support, adding that internal audit had a human face — that of the women and children whose lives were improved through UNFPA-supported programmes.

116. The Executive Board adopted decision 2005/19: UNDP, UNFPA and UNOPS: report on internal audit and oversight.

117. *UNOPS*. Thanking the Deputy Executive Director for her presentation, delegations requested an overview of the procurement review and an update on problems, solutions and next steps in Atlas implementation.

118. The Deputy Executive Director, UNOPS, while noting the difficulties experienced, emphasized progress made in tracking and monitoring audit reports and underscored the positive impact of Atlas. She mentioned UNOPS progress in following up on Procurement Committee recommendations, and confirmed the recruitment of the Audit Section Chief who had already assumed his functions.

119. The Executive Board adopted decision 2005/19 on internal audit and oversight for UNDP, UNFPA and UNOPS.

XIV. Programming process

120. The Executive Board reviewed the joint report on progress in implementing decision 2001/11: Addressing the issue of the timeframe for developing country programme documents (DP/2005/28-DP/FPA/2005/10).

121. Some delegations expressed interest in proposals to shorten the timeframe for preparing and approving country programmes documents so as to advance simplification and harmonization in line with the 2004 TCPR and the Paris Declaration on Aid Effectiveness. But they cautioned that this could jeopardize the consultation process. Other delegations advised against eliminating country programme documents in favour of an UNDAF-based common country programme document, which might compromise individual agency impact and exceed the Board's mandate. Yet others saw no need for radical changes in current procedures.

122. In its decision, the Board requested UNDP and UNFPA to present at the annual session 2006 a report elaborated jointly with UNICEF on options to streamline the existing harmonized country programme approval procedure so as to decrease the time frame for developing and approving country programmes, and to synchronize them with the cycles of country programming instruments and processes, while maintaining the institutional integrity and mandate of each agency.

123. The Chair, Country Programme Support Group, United Nations Development Group, explained that the Support Group received requests from country teams to reduce the burden on them and national counterparts in the programme process. Using the UNDAF as a single country programme document offered the opportunity to simplify programming documentation without eliminating the need for agency-specific country programmes. The joint office model would ensure a single country presence, while individual country programmes would complement each other more effectively. UNDP would consider the added value of country teams preparing analyses of country programmes. She urged the Board to consider the proposals and reach a decision by the second regular session 2005.

124. The Executive Board adopted decision 2005/28 on progress in implementing decision 2001/11: addressing the issue of the time frame for developing country programme documents.

XV. Field visits

Field visit to Azerbaijan

125. In presenting the report of the field visit to Azerbaijan (DP/2005/CRP.8-DP/FPA/2005/CRP.2), the rapporteur, on behalf of the joint mission, expressed gratitude to the Government and the country team for their hospitality and hard work in preparing the field visit.

126. Delegations commended participating Board members on a successful visit that had allowed them to assess challenges and explore ways to streamline United Nations impact, especially with regard to refugees and IDPs. They noted the good level of dialogue between the Government and the country team, as well as United Nations staff dedication to coordination. They commended efforts to capitalize on the country's burgeoning petroleum industry to boost development,

assist refugees and IDPs, and provide reproductive health programmes and focus on vulnerable groups.

127. The delegation from the Russian Federation expressed hope that the findings of the mission would not only contribute to improving relations between the Government of Azerbaijan and the United Nations but also to the country's social and economic development. As a participant of the mission, however, the Government regretted that it was not satisfied with the process used in finalizing the report. The process, stated the delegation, had not been transparent or constructive, deadlines for submitting comments had not been provided, and the process for the 'silent agreement' had been unsatisfactory. The participants had not agreed to the latest corrections to the draft report.

128. As co-chair of the Minsk Group of the Organisation for Security and Cooperation in Europe (OSCE), the Russian Federation believed in the importance of constructive political cooperation by the United Nations in the settlement of the Nagorny Karabakh conflict, taking into account the principle of territorial integrity and other important principles of the United Nations and OSCE. It was important that United Nations documents dealing directly or indirectly with the issue used agreed formulations. In a number of places in the report, unfortunately, that approach had not been respected. The secretariat bore particular responsibility for those problems, as it was responsible for ensuring that only duly agreed documents be brought to the Board for approval.

129. Other delegations commended the hard work of all involved in issuing the report on time under tight deadlines. There was a request that the report be reissued on technical grounds.

130. The report on the joint field visit to Azerbaijan (DP/2005/CRP.8–DP/FPA/2005/CRP.2) would be reissued for technical reasons.

Field visit to Lao People's Democratic Republic

131. In introducing the report on the field visit to the Lao People's Democratic Republic (DP/2005/CRP.7 - DP/FPA/2005/CRP.1), the rapporteur thanked the Government for the warm welcome and hospitality. He also thanked the United Nations Resident Coordinator and UNDP Resident Representative, the UNFPA Representative and respective staff for their work. He highlighted the major development challenges facing the country, particularly: heavy unexploded ordnances; the need to develop national capacity; and population issues. He underscored that the activities of UNDP and UNFPA fit with Government priorities and promoted national ownership.

132. The rapporteur noted that the UNDP Governance and Public Administration Reform programme was one of the most successful UNDP projects in the Republic. He drew attention to UNDP support to the UXO Lao programme, underscoring the need to raise awareness of the UXO problem among the donor community.

133. The co-rapporteur noted that UNFPA assistance to the Government in addressing reproductive health and population and development issues had led to a good policy environment; increased availability of reproductive health services; increased contraceptive prevalence; and reduced maternal mortality. He highlighted successful work in supporting peer education and teacher training; the use of mobile teams to provide reproductive health services to remote villages; and the use of

community drama to raise awareness about such issues as HIV prevention. He commended UNFPA collaboration with the local people, civil society organizations and international NGOs.

134. The Executive Board took note of the note of the report on the field visit to the Lao People's Democratic Republic.

UNFPA segment

XVI. Annual report of the Executive Director for 2004

135. In her opening statement the Executive Director focused on five key issues: the countdown to 2015; responding to a changing world; achieving MYFF strategic results; making UNFPA a more effective development agency and partner; and mobilizing resources. She underscored the link between human rights and culturally sensitive approaches to programming and emphasized the importance of South-South cooperation. She announced the new tag line and shortened mission statement developed to convey the Fund's vision to the general public, and introduced the Report of the Executive Director for 2004: Progress in implementing the multi-year funding framework, 2004-2007 (DP/FPA/2005/7, Parts I to II). Her full statement is available on the UNFPA web site: http://www.unfpa.org/execbrd.

136. Numerous delegations congratulated the Executive Director on her leadership, the extension of her appointment to 2008, and the progress achieved during the first year of implementing the MYFF. Delegations commended UNFPA for attaining, in 2004, the highest-ever level of contributions to its regular resources and a record number of donors. Some announced their contributions, including multi-year pledges and in one case a doubling of resources to UNFPA. Delegations encouraged UNFPA to enhance its partnerships, including with the private sector.

137. Delegations emphasized that achieving the goals of the International Conference on Population and Development (ICPD) was essential for achieving the MDGs. They commended UNFPA for its leadership in promoting the ICPD Programme of Action and its work in the areas of sexual and reproductive health; gender equality and women's empowerment; and reproductive health commodity security. Many expressed support for the inclusion, in the upcoming 2005 World Summit, of another target under the maternal health goal (MDG 5): universal access to reproductive health services through primary health care systems by 2015.

138. Delegations commended increasing UNFPA engagement in policy work, including participation in PRSPs and sector-wide approaches (SWAps). They urged UNFPA to address the aspect of adolescent health with urgency, and supported its efforts to combat HIV/AIDS and reduce gender-based violence. They encouraged the Fund to scale up its work with greater focus on the 'Three Ones'. Delegations welcomed UNFPA contributions to national capacity building, its active support of the TCPR and United Nations reform, and its commitment to implementing the Paris Declaration on Aid Effectiveness.

139. Delegations encouraged UNFPA to make future MYFF reports more analytical and concise, indicating that poor-quality data for quantitative goal and outcome indicators undermined the MYFF as a planning and monitoring tool and that country-level data should be included in the cumulative MYFF report in 2007.

140. One delegation urged UNFPA to implement a clear strategy on reproductive health commodity security, underscoring the UNFPA role in reducing maternal mortality and addressing the consequences of unsafe abortions. One delegation emphasized the importance of nutrition and age at marriage as contributing factors to maternal mortality, and urged culturally sensitive approaches in addressing the latter issue.

141. Delegations commended UNFPA work in the area of South-South cooperation, its success with the obstetric fistula campaign, and the youth advisory programme. They noted its expanding work in emergency relief and humanitarian response, particularly in the wake of the Indian Ocean tsunami disaster. They urged UNFPA to develop its ability to provide timely, systematic response to emergency/crisis situations, asking it to examine the implications of ensuring sustainability of future responses and report back to the Board.

142. The Executive Director thanked delegations for their support to UNFPA and its work. She thanked the Government of Sweden for hosting the Stockholm high-level round table on investing in reproductive health and rights. She appreciated the suggestion that reproductive health target be included under MDG 5, and concurred with the need to scale up efforts in the areas of maternal mortality and HIV prevention. She emphasized UNFPA focus on the sexual and reproductive health of young people and its involvement with the 'Three Ones'.

143. She underscored the Fund's work in reproductive health commodity security, noting that a strategy would be shared with Board members. UNFPA had provided guidance to country offices on inadequate attention to adolescent reproductive health in PRSPs. She observed that there were over 1,000 applicants for internships in the Fund's special youth programme, and mentioned successful private-sector partnerships for the fistula campaign.

144. Concerning PRSPs and SWAps, the Executive Director noted that the Fund's small staff limited its capacity to participate in all the meetings. UNFPA needed to scale up its resources in country offices to deal with such challenges, including those associated with United Nations reform efforts. She emphasized the Fund's commitment to culturally sensitive approaches to programming, South-South cooperation and working in the new aid environment.

145. The Chief, Strategic Planning Office, appreciated the comments of delegations and stressed that UNFPA was committed to implementing the MYFF effectively. He noted the comments concerning data and indicators for MYFF reporting, stating that he expected more data on the indicators to be available for the cumulative MYFF report in 2007.

146. The Executive Board adopted decision 2005/25: Report of the Executive Director for 2004.

XVII. Funding commitments to UNFPA

147. In introducing the report on funding commitments to UNFPA (DP/FPA/2005/8 and Corr.1), the Executive Director thanked donors for their contributions, which had enabled the Fund to reach its highest-ever level of resources. In particular, she thanked the countries that had increased their contributions, and hoped that UNFPA would be able to reach its new goal of $400 million in regular resources in 2005.

148. The Officer-in-Charge, Resource Mobilization Branch, provided an updated UNFPA income forecast. He stressed the importance of a predictable, assured resource base and thanked the Executive Board for its guidance, support and encouragement.

149. Delegations congratulated UNFPA for the successful resource mobilization, noting that this was a sign of donor confidence in its work. They appealed for more official development assistance to population and reproductive health.

150. The Executive Director thanked the delegations for their support and suggestions. She noted that UNFPA would explore how best to reflect in the report the contributions from programme countries.

151. The Executive Board adopted decision 2005/24, Funding commitments to UNFPA.

XVIII. Country programmes and related matters

152. The Executive Board had before it 14 draft country programme documents (CPDs); a note on the implementation of the UNFPA special programme of assistance to Myanmar; the first one-year extension of the special programme of assistance to Myanmar; and the two-year extension of the country programme for Timor-Leste.

153. *Africa*. Delegations encouraged UNFPA to sharpen the focus on HIV/AIDS prevention in all four programmes. They welcomed the Fund's collaboration with civil society in Burkina Faso, particularly in the areas of education and awareness-raising. Delegations welcomed the focus on gender issues and noted that UNFPA was well placed to lead the Common Fund on Gender. They urged UNFPA to be further engaged in the health sector programme and to lead the reproductive health agenda. Regarding the Ghana CPD, delegations noted the progress achieved through the SWAp, urged stronger reference to the private sector concerning condom programming, and encouraged UNFPA to increase capacity in the area of gender. Concerning the Uganda CPD, they urged closer alignment with the PRSP and the health SWAp and recommended further harmonization with other United Nations organizations. Delegations asked how the humanitarian problems in Northern Uganda would be tackled, and urged UNFPA to address the issue of HIV/AIDS orphans.

154. *Arab States and Europe*. Delegations appreciated the coherence between the Ukraine and Albania CPDs and the respective UNDAFs. They underscored the Fund's role in awareness-raising among young people with regard to reproductive health and rights; emphasized the need to address HIV/AIDS; and commended the Fund's HIV-prevention work with the uniformed services in Ukraine. Delegations encouraged UNFPA to work to reduce the incidence of abortion in Ukraine and Albania and to address gender-based violence in Ukraine, calling for additional resources for the Ukraine programme. They were pleased that the Turkey CPD emphasized national capacity-building and was in accordance with national priorities. Concerning the CPD for the Occupied Palestinian Territory, one delegation applauded the focus on access to comprehensive reproductive health services.

155. *Asia and the Pacific*. Delegations underlined the importance of safe motherhood and skilled birth attendance with reference to the Bangladesh CPD. They welcomed efforts to train skilled birth attendants and called for technical support to improve the quality of services. More attention should be focused on capacity-building, reproductive health commodities and partnerships with civil society. Delegations commended the Cambodia CPD and the Fund's planned assistance for the 2008 census. They encouraged UNFPA to work with NGOs on sensitive issues such as adolescent reproductive health, and encouraged further collaboration with the Ministry for Women. Concerning the China CPD, one delegation did not support the Fund's continued provision of reproductive health and family planning support to the Chinese population authorities. Numerous others expressed support for the CPD, welcoming the commitment to reform and the emerging openness within the Chinese family planning programme. Regarding the Viet Nam CPD, delegations commended the focus on reducing poverty and maternal and infant mortality. They noted a need for adolescent reproductive health programmes in school, and encouraged UNFPA to continue its activities in Myanmar to secure people's reproductive health and rights.

156. *Latin America and the Caribbean*. Delegations appreciated that the Peru CPD was in line with national priorities and national development plans. They welcomed the fact that Government, NGOs and other development partners had been widely consulted in developing the programme.

157. The Directors of the UNFPA Geographical Divisions thanked the delegations for their comments, adding that the comments on individual draft country programmes would be conveyed to the concerned countries.

158. The Executive Board took note of the first one-year extension of the special programme of assistance to Myanmar and the note on its implementation. The Board approved the two-year extension of the country programme for Timor-Leste and took note of the following 14 CPDs and the comments made thereon: Burkina Faso, Ghana, Namibia, Uganda, Albania, Georgia, the Occupied Palestinian Territory, Turkey, Ukraine, Bangladesh, Cambodia, China, Viet Nam and Peru.

XIX. Other matters

Farewell tribute to UNDP Administrator

159. The Executive Board paid tribute to UNDP Administrator Mark Malloch Brown upon his departure from UNDP to assume the position of United Nations Chief-of-Staff. Delegations extolled the Administrator's accomplishments and personal qualities and wished him well in his new position.

160. Expressing regret at his departure and applauding his commitment to development, Board members commended the Administrator for his leadership in guiding UNDP through a critical reform period, and in initiating UNDP work in areas such as post-conflict peace-building, the Private Sector Commission and the Millennium Project, and turning around the organization's resource situation.

Special event: From Post-conflict Peace-building to Development, The Experience of El Salvador

161. The President of the Executive Board opened the special event underlining the importance of the peace-building efforts in El Salvador and the exemplary partnership between El Salvador and UNDP in working toward sustainable peace and development.

162. She introduced the distinguished speakers, notably H. E. Mr. Francisco E. Lainez, Minister of Foreign Affairs of El Salvador, who reviewed the challenges that El Salvador faced in achieving lasting peace and democracy after a decade of armed conflict, highlighting the process of dialogue and negotiation overseen by UNDP.

163. Accompanying Foreign Minister Lainez were the Chief Justice of the Supreme Court, Agustín García Calderón, the former Minister of Education and coordinator of El Salvador's first report on attainment of the Millennium Development Goals (MDGs), Evelyn Jacir de Lovo, political leader and former commander of the Farabundo Martí National Liberation Front (FMLN), Facundo Guardado; UNDP Associate Administrator, Zephirin Diabre; and United Nations Resident Coordinator in El Salvador, Beat Rohr. They addressed the transition from conflict resolution to peace-building and development; institutional and legal reforms; and the evolution of socio-economic development policies.

164. The Deputy Assistant Administrator and Deputy Director, Bureau for Crisis Prevention and Recovery, Mr. John Ohiorhenuan, discussed lessons learned from post-conflict peacebuilding work across the globe, and the Assistant Administrator and Director, Bureau for Latin America and the Caribbean, Ms. Elena Martínez, spoke of the UNDP role in peace-building in Central America.

165. Delegations thanked the speakers for their presentations, and commended the Government of El Salvador and UNDP for organizing the event. They drew attention to UNDP initiatives involving peace negotiations; framework agreements on human rights and indigenous peoples; assistance to internally displaced persons and refugees; and support to DDR activities.

166. Delegations urged UNDP to continue working with countries to coordinate peace processes throughout post-conflict phases. Given scarce post-conflict resources, UNDP should urge United Nations agencies to pool their resources and work closely with the IFIs for maximum country-level impact. Urging UNDP to capitalize on the growing importance of post-conflict peace-building activities, they expressed hope that the Secretary-General's initiative to establish a peace-building commission and a standing fund for peace-building, once endorsed, would have a positive effect on UNDP post-conflict work.

167. The special event was followed by a reception co-hosted by the UNDP Administrator and the Minister of Foreign Affairs of El Salvador.

Working methods of the Board

168. The Bureau Vice-President, African States, presented the non-paper on improving the working methods of the Executive Board, highlighting the issues raised at the 1 June informal meeting. Delegations showed interest in the proposals in the non-paper, but indicated that further discussion was necessary before

recommending actions for improvement. Some delegations saw no need to improve working methods at this juncture.

169. A number of delegations suggested identifying shortcomings in the working methods of the Board in matrix form. Board members agreed to present their recommendations at the present session, holding informal consultations and resubmitting the non-paper as an official Board document at the second regular session in September 2005.

A UNDG informal presentation on the findings of the global survey on the impact of the MDGs at the country level

170. The presentation provided an overview of key findings of: (a) awareness and ownership of the Millennium Declaration and MDGs; (b) signs of commitment, gauging the preparedness of the analytical base for the formulation of MDG-based poverty reduction strategies and development plans, progress in carrying out needs assessments, and shifts in policies, legislation, budgets and development cooperation; (c) signs of movement towards implementation, such as scaling-up of programmes to address health and education; and (d) scale and nature of actions undertaken by United Nations country teams.

UNFPA

171. UNFPA organized two informal consultations: (a) on the UNFPA role and action in emergency preparedness, humanitarian response, and transition and recovery; and (b) on maternal health and HIV/AIDS.

Part three
Second regular session
Held at United Nations Headquarters in New York
from 6 to 9 September 2005

I. Organizational matters

1. The second regular session 2005 of the Executive Board of UNDP and UNFPA met from 6 to 9 September in New York. At the session, the Executive Board approved the agenda and work plan for its second regular session 2005 (DP/2004/L.3 and Corr.1), and the report on the annual session 2005 (DP/2005/29 and Corr.1).

2. The Executive Board agreed in decision 2005/42 to the following schedule of sessions of the Executive Board in 2006:

First regular session 2006:	20 to 27 January 2006
Annual session 2006:	12 to 23 June 2006 (Geneva)
Second regular session 2006:	11 to 15 September 2006

3. Decisions adopted by the Executive Board at the annual session 2005 were included in document DP/2005/30 accessible at www.undp.org/execbrd.

4. The Board adopted decision 2005/32 on the working methods of the Executive Board but wished to record officially that it had not taken note of document DP/2005/CRP.13, proposals to improve the working methods of the Board, which was not discussed formally owing to lack of time.

Administrator's statement

5. In his inaugural address to the Executive Board, the Administrator, UNDP, reflecting on the imminent 2005 World Summit and the 10-year path towards Millennium Development Goal (MDG) achievement in 2015, affirmed 2005 as a historic moment for UNDP and a critical time for global development efforts. Citing the achievements and paying tribute to his predecessor, he asserted his aspiration to steer UNDP towards even greater efficiency, effectiveness and development results. He drew attention to the challenges ahead, highlighting steps to:

(a) *Refocus resource mobilization efforts*, in particular broadening the donor base to include more programme countries contributing to core resources — noting that while core resource grew during the first multi-year funding framework (MYFF), programme country contributions declined and official development assistance (ODA) increases were offset in real terms due among other factors to inflation and currency fluctuations;

(b) *Instil the march towards achieving the MDGs with an 'urgency of purpose'* while recognizing that the goals are technically and economically attainable — while developing countries must lead, the rich countries must fulfil their MDG 8 pledge for more better aid, pro-poor trade and enhanced debt relief;

(c) *Recognize the legitimacy of development assistance*, citing evidence that aid stimulates growth in countries with good institutions and policies, thereby stressing the primacy of governance, and when targeted directly specifically towards development;

(d) *Promote gender equality and mainstreaming* and appreciate gender's centrality to overall development success, citing evidence that gender equality accelerates economic growth, strengthens democratic governance and reduces poverty and insecurity. In this effort, he sought closer ties with the United Nations Development Fund for Women (UNIFEM);

(e) *Develop more effective partnerships* with the international financial institutions and greater coordination among United Nations organizations, noting the shortcomings resulting from needless fragmentation;

(f) *Uphold the highest standards of accountability and transparency* by strengthening financial and management procedures and safeguards;

(g) *Spearhead United Nations reform at the country level* by establishing a Management Team to ensure a common approach and strengthen UNDP stewardship of the resident coordination system via notably the continued piloting of the country director model.

6. In laying out a shared vision of UNDP, he stressed the need for UNDP to be at the centre of the development and economic debate, and the critical role it must play in providing conceptual approaches and policy alternatives to assist developing countries, especially the least developed countries (LDCs), without neglecting middle income and transition countries. He also highlighted the importance of South-South cooperation, MDG-based poverty reduction strategies, post-conflict recovery activities, and maintaining political neutrality while promoting democratic governance. He looked forward to working with the Board on these issues in the years ahead.

7. Delegations congratulated the Administrator on his appointment and welcomed him to his first Board session. They commended him for his inspiring, encouraging statement and concurred with much of his analysis, conclusions and vision for the future of UNDP. They assured the Administrator of their strong support and expressed their eagerness to work with him in the years ahead to fulfil his ambitious plan.

8. They drew attention to areas where UNDP should focus, emphasizing its role in spearheading follow-up to the 2005 World Summit, most notably on its development aspects and the Millennium Development Goals (MDGs). In that regard, they stressed the crucial role of UNDP in: (a) United Nations reform, harmonizing field level operations via the resident coordinator system to avoid fragmentation and financing country director positions through unearmarked funds; (b) supporting the newly founded Peacebuilding Commission, through which UNDP should play a greater role in post-conflict prevention and recovery, especially in fragile states; (c) prioritizing the needs of the least developed countries (LDCs), especially in Africa, advocating for fair trade and debt relief; (d) expanding partnerships, foremost by broadening the donor base, implementing the Paris Agreement on Aid Effectiveness and upholding its neutral character; (e) fortifying human security efforts through its inter-agency coordinating role at the country level; (f) fostering South-South cooperation and best practices via its extensive knowledge networks; (g) prioritizing gender equality in programming and gender mainstreaming in-house, allocating a clear budget line for gender in the biennial support budget, and tightening collaboration with UNIFEM; and (h) aligning the PRSP process with the MDGs at the country level, and ensuring national ownership.

9. In response, the Administrator, thanking delegations for their endorsement and encouragement, concurred with their emphasis on United Nations reform and stressed the need to curb United Nations system fragmentation while capitalizing on agencies' comparative advantages. Results-based management and empowering of field staff via new technologies would provide the keys for success and greater impact for the poor. But economic growth would remain inaccessible without a

strong entrepreneurial private sector buttressed by the rule of law and a stable public sector. Here he pointed to the need for continued partnership with the international financial institutions, and underlined the importance of aligning the PRSP with the MDGs. Reiterating the need to prioritize gender, he encouraged the development of a more practical approach. Highlighting the unique role of UNDP as a permanent presence in countries for peacebuilding and transition to recovery, he saw a central role for UNDP in the Peacebuilding Commission. He looked forward to discussing those and other issues both formally and informally with delegations.

UNDP segment

II. Financial, budgetary and administrative matters

10. The Assistant Administrator and Director, Bureau of Management, introduced the UNDP budget estimates for the biennium 2006-2007 (DP/2005/31), the report of the Advisory Committee on Administrative and Budgetary Questions (ACABQ) (DP/2005/32), the annual review of the financial situation 2004 (DP/2005/33 and Add.1), and information on United Nations system technical cooperation expenditures 2004 (DP/2005/34 and Add.1). In his presentation, he underscored the overall positive financial context, with both core and non-core steadily growing. Projections for 2006-2007 levelled in at $1.9 billion for core and $5.6 billion for non-core.

11. Delegations expressed their satisfaction with the continued steady rise in core and non-core resources and the general positive financial outlook. They noted the move to prepare the budget in accordance with the principles laid out in the MYFF and Board decisions, commending in particular the shift towards results-based budgeting. They nevertheless drew attention to the value of increased resources in real terms, as noted by the Administrator.

12. Delegations stressed the importance of funneling resources away from administrative costs towards programming activities, and endorsed the ACABQ recommendations regarding the streamlining of the organization's cost structure and funding modality proposals. There was concern raised that funding for the proposed 40 country director posts would be allocated from non-core resources; on this issue they requested clarification and suggested further discussion on the impact of the initiative at the country level. They urged UNDP to avoid the upward reclassification of posts save for exceptional circumstances.

13. Delegations welcomed the mainstreaming of the United Nations Capital Development Fund (UNCDF) into the UNDP biennial support budget while maintaining it independent but financially integrated, and stressed the need to ensure its adequate funding.

14. Regarding budget increases for items such as security, there was a request to learn how UNDP determined budget allocations from either core or non-core for new items, and it was noted that UNDP must make every effort to ensure proper management, auditing and evaluation. UNDP should also avoid duplication of security measures with other United Nations agencies.

15. Several delegations questioned why no separate budget line was accorded to gender, and strongly suggested that gender receive greater resources and additional

posts. There was also a request to consider elevating the Executive Director position of the United Nations Development Fund for Women (UNIFEM) to that of Assistant Secretary-General.

16. In its decision, the Board approved gross appropriations for the purposes indicated in the report, except the proposed new regional advocacy posts and the resources expenditure associated with them, and indicated that income estimates should be used to offset the gross appropriations. Programme countries were encouraged to meet their obligations towards local office costs.

17. Board members authorized the Administrator to redeploy or reprioritise resources between appropriations lines up to a maximum of 5 per cent of the appropriation line to which the resources were redeployed. They urged UNDP to continue to realign the funding modality of UNDP support requirements towards proportional cost sharing between regular and other resources. They also endorsed the proposal to reflect security costs as a separate line in the UNDP resource plan. The Board endorsed the priority given by the Administrator to gender mainstreaming and requested that the implications of the gender action plan for 2006 be reflected in the budgeting process.

18. In response, the Assistant Administrator and Director, Bureau of Management, recognized the complexity and redundancy of the budget format. UNDP was working with other agencies on greater harmonization and making the budget more results-based. He looked forward to working with delegations in designing the next budget. Regarding resources, he noted an anticipated budget increase of $200 million for programming. He also assured delegations that UNDP would heed ACABQ recommendations on post reclassifications, trying to keep them to a minimum. On cost recovery, he pointed out that 2005 rates rose, which was helpful in shifting from core to non-core.

19. On gender, he explained that the budget accounted for gender elements like training and methodology but suggested that the real issue was priority setting, which would be addressed further in the action plan. He noted that UNDP had gender-specific focal points in all bureau and country offices, gender strategies built into country level programming, and close collaboration with UNIFEM, whose Executive Director was part of the Strategic Management Team. He stressed the need to use existing resources and capacities more effectively and noted that UNDP assessed senior staff performance on mandatory gender targets.

20. He expressed appreciation for donor support in overall United Nations reform efforts, especially concerning the financing of country director posts, the results for which had been encouraging but which would need further funding increases to ensure full impact. On security, he laid out the basic costing principles to follow: determining a reasonable base structure and defining a variable cost distribution between core and non-core, which would require further analysis. He also mentioned that the United Nations Department of Safety and Security assuming certain costs would allow UNDP to reduce its administrative costs for security.

21. The Executive Board adopted decision 2005/33 on the UNDP biennial budget estimates, 2006-2007, and decision 2005/34 on the UNIFEM biennial budget estimates, 2006-2007.

22. The Executive Board took note of the report of the ACABQ on the UNDP budget estimates for the biennium, 2006-2007 (DP/2005/32), the report of the

Administrator on the annual review of the financial situation, 2004 (DP/2005/33 and Add.1), and the information on United Nations system technical cooperation expenditures, 2004 (DP/2005/34 and Add.1).

III. Evaluation

23. The Assistant Administrator and Director, Bureau for Development Policy, and the Director, Evaluation Office, introduced the evaluation of the regional cooperation framework for the Arab States, 2002-2005 (DP/2005/36), submitted in accordance with a Board decision requesting forward looking independent evaluations of regional programmes prior to the drafting and submission of new programmes.

24. Delegations noted the six key findings of the evaluation and commended the approach and methodology used to assess outcomes. They noted the evaluation's timeliness, expressed appreciation for UNDP efforts in that area, and recognized the enhanced perspective of regional issues offered by the *Arab Human Development Report*.

25. Delegations welcomed the evaluation's recommendations for better links between regional and national programmes while requesting more details, and appreciated the annex and the introduction of qualitative data while suggesting indicators be more impact oriented.

26. Some, however, stressed the need for more focus on policy and programme impact at the national level, and others more project-based evaluation outcomes. It was noted that while the proposed recommendations were good, there was a need to prioritize them, beginning with improving links between regional and national programmes and meeting the criteria laid out in the report, notably in paragraph 52.

27. One delegation noted the report's emphasis on regional water management and recognized the need to strengthen regional institutions in that area to bolster development efforts and allay the potential for conflict. In the realm of population growth, the importance of new specific measures to address the links between gender and poverty was underlined. While expressing support for establishing 'youth' as a crosscutting issue, UNDP was encouraged to differentiate between young men and young women in doing so. There was a general call for greater cooperation between UNDP and programme countries.

28. Drawing attention to two deficiencies in the region identified in the report, i.e. HIV/AIDS and human rights, one delegation suggested that other issues as well needed to be addressed in any regional development strategy, adding that they were perhaps not regionally 'representative'. Also while welcoming the methodology, it was noted that the *Arab Human Development Report* should only serve as input to the regional cooperation framework and not as its 'basis', because of a lack of adequate consultations with Member States.

29. In response, Director, Evaluation Office, thanking delegations for their comments, addressed four areas of concern: (a) evaluation outcomes and impact measurement, about which she fully agreed with delegations concerns, and assured them that the subsequent phase would heed more attention to capacity development, and rework methodology so as to clearly reveal the impact level; (b) baseline information and nature of indicators, on which UNDP should collaborate more

closely with operational units to measure trends; (c) the need to prioritize recommendations, which effectively had been addressed during the item under discussion; and (d) future evaluation of new programmes, which would require refocusing owing to issue changes. On the management side, she added that evaluation exercises should pay more attention to innovative and crosscutting issues, engage more closely with country offices and build knowledge links at the country level.

30. The Executive Board adopted decision 2005/35 on the evaluation of the regional cooperation framework for the Arab States, 2002-2005.

IV. Country programmes and related matters

31. The Assistant Administrator and Director, Bureau for Development Policy, introduced the item on country programmes, which included the draft regional programme document for the Arab States (DP/RPD/RAS/1), draft country programme documents, extensions of country cooperation frameworks (DP/2005/37), and assistance to Myanmar: extension of the Human Development Initiative — Note by the Administrator (DP/2005/38).

32. UNDP regional bureau directors presented the following first draft country programme documents to the Executive Board for review: Chad, Swaziland, Libyan Arab Jamahiriya, Afghanistan, Bangladesh, Indonesia and Guyana. UNDP would incorporate Board comments in its country programmes prior to their finalization and approval at the first regular session 2006. Once finalized in light of Board comments at the current session, country programmes would be posted on regional bureau web sites by end October.

33. The Executive Board took note of the above-mentioned draft country programme documents and the comments made thereon.

34. The Board approved the two-year extensions of the second country cooperation framework for Mexico and the country programme for Timor-Leste; the extension of the regional cooperation framework for Latin America and the Caribbean for two years, from 1 January 2006 to 31 December 2007; and the exceptionally requested third-year extensions of the second country cooperation frameworks for Chile and Uruguay.

Draft regional programme document for the Arab States

35. In welcoming and expressing strong support for the draft regional programme document for the Arab States (DP/RPD/RAS/1), delegations endorsed the three pillars — MDG achievement, democratic governance, building a knowledge society — including youth as a crosscutting issue, and were pleased that gender equality and environmental sustainability, in particular water resource management, were highlighted as priorities.

36. It was hoped, however, that the global view required of a regional programme would still allow for country-specific approaches. In undertaking the three pillars, for example, UNDP should take into consideration the diversity of Arab States. Issues such as HIV/AIDS, chosen as a priority in pillar one, should be dealt with differently depending on the national context.

37. One delegation stressed the importance of addressing the pillars equally, not focusing on issues that might seem more attractive politically, in the media or for advocacy purposes. Other issues — some already addressed in the three pillars — should also be prominent in the finalized regional programme, most notably basic education, improving health care systems, debt sustainability, trade and capacity building. There was also a call to continue to expand existing links between global, regional and country programmes.

38. Regarding the water resource management initiative laid out in paragraph 25 of the report, one delegation raised concern over tackling water use and conservation from a conflict prevention or transboundary waters perspective by adopting a potentially controversial human rights-based approach. In that regard, there was a request that the report discuss how the UNDP shared river basin management initiative could serve as a vehicle to support work on transboundary waters in the region.

39. Noting that the *Arab Human Development Report* identified three impediments to human development in the region — deficits in freedom, women's empowerment and knowledge — one delegation suggested that the proposed regional programme give a more prominent place to women's empowerment. Although pillar one on the MDGs included gender, UNDP should incorporate women's empowerment as an integral part of the other two pillars, and not only as part of poverty reduction.

40. Delegations looked forward to participating actively in consultations leading up to the finalization of the regional programme and its endorsement by the Board at the first regular session 2006.

41. In response, the Chief, Regional Programme Division, Regional Bureau for the Arab States, thanked delegations for their support and comments, and addressed a number of their concerns. She stated that UNDP would address the three pillars equally, adding that the resource picture showed that the organization was looking closely at how to leverage each.

42. Concurring that regional diversity meant adopting country-specific approaches, she highlighted that UNDP allowed room for manoeuvre, using HIV/AIDS as an example. Pointing to paragraph 24 of the report, scaling up the response to HIV/AIDS, she stressed that while emphasizing common approaches in advocacy, resource mobilization and coalition building, UNDP left elaboration of specific structures to the countries.

43. On water resource management, UNDP interventions although still in the conceptual stage would be based fully on the global approach in consultation with international partners, including the Global Environment Facility, the International Development Research Centre, the Mediterranean Environmental Technical Assistance Programme and other international organizations. UNDP would continue to keep delegations abreast of the content of those programmes as they evolved.

44. On gender, she assured delegations of its growing prominence in the regional programme. Pointing to paragraph 23, on the gender equality MDG, UNDP was keen to mainstream and fully integrate gender, working on women's rights through the ICT for Development Programme, gender and citizenship through governance interventions, and the gender dimensions of poverty through the poverty programme. UNDP was also open to developing a gender programme pursuant to analysis from the forthcoming 2006 *Arab Human Development Report*.

45. UNDP would continue to discuss emerging issues of importance such as debt and trade, which the programme also addressed, and was engaged in joint efforts with other United Nations agencies on basic education and health care. The organization welcomed and was committed to the consultation process in finalizing the programme.

46. The Executive Board took note of the draft regional programme document for the Arab States (DP/RPD/RAS/1).

Assistance to Myanmar: Extension of the Human Development Initiative

47. In response to the presentation of the Assistant Administrator and Director, Regional Bureau for Asia and the Pacific, RBAP, and the Resident Representative, UNDP Myanmar, on the extension of the Human Development Initiative (HDI) (DP/2005/38), delegations commended the Resident Representative for his excellent presentation. While noting the difficult policy and operational environment, they drew attention to the ever-declining plight of the poor, especially in the context of rising HIV, tuberculosis and malaria levels. In that regard, they showed strong support for the HDI programme; they highlighted the impressive results achieved and encouraged the international community to strive to support it as well as the HIV/AIDS Fund, which they hoped UNDP would continue to manage. They urged UNDP to step up HDI monitoring, evaluation and coordination efforts. There was also a call to expand partnerships with community-based organizations, ensure the benefits of UNDP initiatives do not reach the military, and ensure continued attention to the needs of women.

48. In response, the Assistant Administrator and Director, RBAP, thanked delegations for their comments and assured them that as in the past UNDP would strictly adhere to Board guidelines. He also reiterated his reassurances that the organization would avoid any situation that could benefit the military in any way, while the needs of women would continue to be addressed.

49. In decision 2005/42, the Executive Board approved an additional two-year extension of the fourth phase of the Human Development Initiative in Myanmar for the period 2006-2007.

V. United Nations Office for Project Services

50. The Executive Director, United Nations Office for Project Services (UNOPS), presented the report on restoring the viability of UNOPS as a self-financing entity: an action plan (DP/2005/39) and its supplement (DP/2005/CRP.14), submitted in response to decision 2005/6. The report proposed two options to move ahead.

51. Option 1 proposed an immediate, consolidation and focus of the range of services provided in UNOPS geographic coverage and fixed-cost structures, allowing it to regroup and rebuild its capacity, reputation and reserves around a core set of product offerings and skill-sets designed to assure rapid delivery of high-quality, concrete results for clients.

52. Option 2 would maintain the current wider range of service offerings but propose cuts to its fixed costs, rationalization of its structures, and a phasing-out of portfolios where full cost recovery would not be achievable.

53. The Executive Director stated that in UNOPS view option 1 offered the strongest opportunity for an accelerated return to sustainable financial viability, stressing that the proposed options were elaborated in consultation with Member States and clients.

54. Delegations, commending the Executive Director for his forthright assessment and clear presentation, expressed their confidence in him and his leadership. Many concurred with his conclusion that option 1 would offer UNOPS the best way forward, while noting that both options contained risks and opportunities.

55. Some delegations, however, raised queries about the two options, asserting that neither was ideal as a stand-alone option. They requested more detailed information on the share of the market that UNOPS actually commanded and commented on its dual public-private character, and how that corresponded with its United Nations mandate. There was also a call to maintain UNOPS as a self-financing entity without limiting its current range of activities.

56. In its decision, the Board chose a modified option 1, recognizing the necessity to implement the measures it proposed yet not excluding broader service provision, so long as it assured full cost recovery. Option 1 would position UNOPS as a complex operations management and full-service implementation entity, offering a focused set of product lines, working in partnership with international financial institutions (IFIs), United Nations system and government clients to deliver concrete, rapid results.

57. These interventions would take place primarily at the country level, in post-conflict and natural-disaster response environments, and in developing countries requiring infrastructure development, complex operations management with capacity-building support as well as on provision of services and products in areas where demand was strengthening, to ensure full cost-recovery to UNOPS and to provide a reliable foundation on which to focus and rebuild its financial viability.

58. Board members reiterated that the decision did not exclude the provision of services to clients in different situations and circumstances than those cited, so long as UNOPS could provide satisfactory services at full cost recovery while ensuring its financial viability. The reform measures should enable UNOPS to return to sustainable financial viability, rebuild the operational reserve, and meet its statutory obligations regarding staff post-service benefits, among others.

59. In response, the Executive Director, UNOPS, thanked delegations for their observations and addressed numerous concerns raised. Despite its public-private appearance, UNOPS was a public entity adhering strictly to its United Nations mandate although with a clear General Assembly directive to be self-financing. As a result, a business approach tended to prevail based on market demand, which was nevertheless circumscribed by the agency's mandate. He asserted that senior United Nations officials, who regularly consulted with Member States, affirmed that the best approach was to maintain UNOPS as a separate self-financing entity, especially given its growing niche in crises and post-conflict situations. UNOPS, however, was not closed to widening its service range in the future.

60. He stressed that UNOPS could not move ahead laden with financial instability. As stated by the Board, the operational reserve should stand at a level of 4 per cent of the combined portfolio turnover and levels of the annual operating budget of the entity. As a self-financing entity, UNOPS needed to ensure full cost recovery, inter

also for the replenishment of its mandated operational reserve levels. He maintained that UNOPS did not engage in business for business sake, but the prevailing business acquisition trends clearly showed that there was demand for UNOPS services. And the agency would follow where the market dictated and in areas where the United Nations could play a role.

61. Option 1 was clearly the immediate way to cut costs and move ahead. But while business in crisis environments was by definition volatile, data showed that business would continue at a significant level for the subsequent 24 months. To address concerns, UNOPS had adopted a risk management approach to option 1 by reducing the cost base and ensuring that major costs were factored into project budgets. Option 1 did not simply propose sustaining UNOPS but responded to the clear demand and niche for its services.

62. The Executive Board adopted decision 2005/36 on the UNOPS plan of action.

UNFPA segment

Statement by Deputy Executive Director

63. The Executive Director extended a warm welcome to new members of the Executive Board, as well as to the new UNDP Administrator. She offered sincere condolences to those who had suffered from the devastation caused by Hurricane Katrina. Underscoring that the upcoming World Summit was a historic moment for world leaders to ensure achievement of the Millennium Development Goals (MDGs) by 2015, the Executive Director noted that the issues of population, gender, reproductive health and rights were critical to the larger development, security and human rights agenda. She drew attention to the issue of accountability, which was demanded of the United Nations system as never before.

64. The Executive Director focused on the following key issues and themes. Freedom from fear and freedom from want; universal access to reproductive health as essential for achieving the MDGs; reform and renewal and increasing aid effectiveness; national capacity development and achieving results at the country level; linking sexual and reproductive health and HIV-prevention policies and programmes; reproductive health commodity security (RHCS); strengthening technical assistance at national and regional levels; regionalization; humanitarian response and peace-building, including mainstreaming emergency preparedness in all aspects of the Fund's work; and the importance of focusing on culture, gender and human rights in programming. The Executive Director drew attention to the UNFPA items before the Executive Board. She emphasized that the business support budget was geared to making UNFPA more effective in responding to country needs. She noted that by strengthening country offices UNFPA would be better positioned to assist in national capacity-building and to support programmes that responded to national priorities.

65. Delegations congratulated the Executive Director on her excellent statement and her effective leadership. They welcomed her positive and optimistic approach to facing challenges and commended the "life-saving" work of the Fund. They stressed that meeting the goals of the International Conference on Population and Development (ICPD) was a prerequisite for achieving the MDGs, highlighting the central role of UNFPA in promoting reproductive health and gender equality.

delegations underlined the importance of focusing attention on these issues at the upcoming World Summit. They underscored that the work of the Fund was essential to achieve the MDGs. Delegations called for renewed commitment to the United Nations Charter and to sustainable development. One delegation called attention to a policy guidance note that its country had developed with UNFPA inputs on "ICPD, Population, Reproductive Health and Gender: Achieving the Millennium Development Goals in Sub-Saharan Africa".

66. Noting the Fund's robust financial health, delegations welcomed the increase in the Fund's resources and were pleased to note the expanding donor base. They underscored that core resources were essential for the Fund's stability. Norway announced that it would make multi-year pledges to UNFPA starting in 2006. Sweden stated that it would increase its core contribution in 2006. Delegations welcomed the efforts under way to implement results-based budgeting (RBB). They stated that they looked forward to learning more about the Fund's study on regionalization. Delegations commended the UNFPA efforts with regard to emergency preparedness, humanitarian response, and transition and recovery. They emphasized the need to work in coordination and collaboration with other partners. They asked the Fund to present a comprehensive strategy at a later session. Delegations underscored the importance of South-South cooperation. They appreciated the Fund's commitment to RHCS and welcomed the informal briefing held earlier. Underscoring the importance of simplification and harmonization and increased coordination, delegations welcomed the common country programme for Cape Verde. Some delegations expressed concern about the cost increases associated with Atlas implementation.

67. The Executive Director thanked the Executive Board members for their strong support and appreciated their affirmation that meeting the goals of ICPD was essential for achieving the MDGs. She thanked the delegations that had made announcements regarding 2006 contributions. She emphasized that the active involvement of the Government was a major factor in the strength of the Cape Verde common country programme. Noting that UNFPA had been pleased to cooperate with a donor country on a publication on ICPD, reproductive health and gender, she stressed that the relationship between UNFPA and its donors went far beyond just the flow of money and involved a reciprocity of knowledge and a partnership of thought and action. She thanked the delegates departing from New York for their support. She assured the Board that UNFPA was working with UNAIDS, the World Bank and other co-sponsors on follow-up to the recommendations of the Global Task Team (GTT) on Coordination. She underscored the importance of scaling up efforts to combat HIV and reduce maternal mortality. She thanked the Board members for their passionate commitment to addressing those issues. She noted that RBB and Atlas implementation would be discussed under agenda item 7.

68. Underscoring the need for flexibility in utilizing resources to respond to emergency/humanitarian crises, she noted that $1 million had not been sufficient to meet the needs of the tsunami-affected countries and she had had to in effect authorize use of additional resources. She confirmed the Fund's commitment to South-South cooperation and noted that it would be further institutionalized within UNFPA during 2006. She added that South-South cooperation was an important element of the Fund's multi-year funding framework. Referring to the Pan Arab Project for Family Health (PAPFAM) supported by UNFPA and others, she noted that it was now a unit integrated in the structure of the League of Arab States and

provided valuable data for planning. She concluded by appreciating the commitment of UNFPA staff to the mission and mandate of the Fund and thanked them for their contributions to successful Executive Board sessions.

VII. Financial, budgetary and administrative matters

69. The Deputy Executive Director (Management) introduced the three documents under item 7: Estimates for the biennial support budget (DP/FPA/2005/13); Report of the Advisory Committee on Administrative and Budgetary Questions (DP/FPA/2005/14); and the Annual financial review, 2004 (DP/FPA/2005/15).

70. Delegations commended the increase in UNFPA resources and were pleased to note the Fund's robust financial health. They welcomed the expanded donor base, noting the all-time high of 166 donors. They underscored that core resources were the bedrock of UNFPA and called for increased contributions to the Fund. Delegations welcomed the clear and streamlined presentation of the budget. They encouraged UNFPA to move forward with implementing results-based budgeting (RBB) in harmonization with UNDP and UNICEF. In that regard, they welcomed the informal consultation on RBB that had taken place prior to the Executive Board session.

71. Delegations stressed the importance of allocating maximum resources for programming and expressed concern regarding the increase in the biennial support budget (BSB) compared to the previous biennium. While noting the comments of the Advisory Committee on Administrative and Budgetary Questions (ACABQ) concerning new posts and reclassifications of posts, delegations stated that the increase in posts seemed justifiable for UNFPA to deliver its programme. In particular, delegations welcomed the fact that the majority of new posts would be in country offices, with a focus on strengthening offices in sub-Saharan Africa. Two delegations thanked UNFPA for proposing to elevate, under the new budget, the level of UNFPA representation in their respective countries. They expressed appreciation for the Fund's past technical and financial assistance. Delegations drew attention to the "human face" of the important work UNFPA was carrying out in countries around the globe. Additional information was requested concerning the reclassification of posts.

72. Several delegations stated that they looked forward with interest to learning more about the regionalization study being undertaken by UNFPA. Concerning cost recovery, one delegation asked if the new policy ensured that full costs associated with non-core activities, direct and indirect, were recovered. Delegations expressed concern regarding increasing costs for rent, security and human resources. While generally considering the cost increases justifiable, they urged circumspection in budget management. They hoped that United Nations reform would bring increased savings, synergies and efficiency. Some delegations wondered why the projection for other resources in 2006-2007 seemed so cautious compared to the previous biennium. Delegations supported the Atlas implementation. However, they expressed concern regarding cost increases. They hoped that the upcoming joint UNDP/UNFPA informal briefing on Atlas would provide information on the costs, the benefits and the challenges in implementing the Atlas system (*N.B. The Executive Board postponed the briefing due to a lack of time.*)

73. The delegation of Norway announced that its country would begin making multi-year pledges to UNFPA starting in 2006.

74. The Deputy Executive Director (Management) thanked the delegations for their constructive comments and their support for strengthening UNFPA country offices. She thanked Norway for the announcement on multi-year pledging. Concerning post reclassifications, she clarified that UNFPA worked in an increasingly complex environment and the posts needed to be adapted to match those increased responsibilities. She pointed out that staff members were already performing at a higher level of responsibility. She added that the post upgrades were subject to strict system-wide standards of the International Civil Service Commission. Regarding the comments on the increase in the BSB, she pointed out that compared to the increase in income the share of the BSB had decreased slightly: while in the 2006-2007 biennium the BSB would be 28 per cent of regular resources, in the 2004-2005 biennium the BSB had been 28.9 per cent of regular resources. Concerning cost savings, she noted that common premises did not necessarily reduce costs. Often the cost of being in a common building was higher than the costs in the previous building. She hoped that joint offices would help to reduce transaction costs and would result in more effective support for countries. Concerning system-wide security costs, she observed that the subject would be discussed later by the General Assembly.

75. Regarding cost recovery, she stated that UNFPA was applying the rates approved by the Executive Board that were based on a methodology recommended by the Joint Inspection Unit and harmonized with UNDP and UNICEF. She added that in arriving at the revised rate for cost recovery, UNFPA had used long-term trends for fixed and variable indirect costs. Regarding RBB, she noted that basically the budget processes of UNFPA, UNDP and UNICEF had been harmonized. It was expected that RBB would be in place by 2008. A mock-up using the new methodology was expected to be presented to the Executive Board sometime during 2006 and informal consultations would take place prior to that. She noted that UNFPA was playing a leading role in the RBB process under the leadership of its Director, Division for Management Services (DMS), the Chief of the Finance Branch and the Chief of the Budget Unit. Concerning other resources, she stated that they were unpredictable, thus UNFPA considered it prudent to base projections on a long-term trend and not the amount received in a specific year. Regarding plans for regionalization, she noted that UNFPA had initiated an analysis of costs and benefits, and further analysis would be undertaken as part of the ongoing study of regionalization. Regionalization was an important dimension of United Nations reform and UNFPA was consulting with other partners in undertaking its study. The ultimate purpose was to help strengthen the Fund's work at country level and to enhance national capacity building. She concluded by assuring the Executive Board that UNFPA was judicious in its expenditures and very careful in managing its budget.

76. The Director, DMS, appreciated the useful guidance provided by the Executive Board. He noted that UNFPA had always exercised prudent cost containment measures and under the proposed BSB while core income would grow by 27 per cent, the BSB would grow only by 23 per cent. He stated that as the Fund's income continued to grow, the ratio would continue to improve. While observing that UNFPA had a number of fixed costs, he underscored that every effort was made to ensure that maximum resources were deployed for programmes, as was the case for

the current biennium 2004-2005. Regarding the implementation of Atlas, he noted that 2004 had been a challenging year, however, much had been accomplished. He stated that Atlas would help to deliver an improved internal control framework and increased accountability. Concerning the projection for other resources in 2006-2007, he noted that it reflected long-term trends. He emphasized that UNFPA was ready and equipped to implement additional programmes as and when other resources were made available.

77. The Executive Board adopted decision 2005/37: Estimates for the UNFPA biennial support budget for 2006-2007, and decision 2005/38: UNFPA annual financial review, 2004. The Board took note of the report of the ACABQ (DP/FPA/2005/14).

VIII. Country programmes and related matters

78. The Directors of the Africa Division and the Asia and the Pacific Division introduced the draft country programme documents from their respective regions: Chad (DP/FPA/DCP/TCD/5), Swaziland (DP/FPA/DCP/SWZ/4), Afghanistan (DP/FPA/DCP/AFG/2) and Indonesia (DP/FPA/DCP/IDN/7).

Africa region

79. Delegations welcomed the focus on national capacity-building in the *Chad* programme and the emphasis on working in a culturally sensitive way with religious leaders and local communities in addressing reproductive health and gender issues. Noting that 75 per cent of the women had never attended school, they underscored the importance of education of women and girls and encouraged strategic partnerships in that area. One delegation asked how the lack of reliable data would be addressed. Given the weak staff presence on the ground, the delegation wondered about programme follow-up and also inquired about the impact of the Darfur crisis. Concerning the *Swaziland* programme, one delegation stressed the importance of community-based responses and supported the related planned activities for youth. Regarding HIV/AIDS, in view of the high prevalence rate in the country, one delegation emphasized the need for enhanced prevention and care efforts and strengthened partnerships between UNFPA and other United Nations agencies. Clarifications were sought on how UNFPA was partnering with other agencies. Delegations noted that in addition to increasing access to services for girls, male involvement was equally important, in particular to address the need to change the attitudes of men and boys.

80. The Director, Africa Division, appreciated the supportive comments and guidance. She concurred on the central importance of the education of women and girls, noting that Chad was one of the countries where the enrollment gap between boys and girls had not been bridged. Concerning data, she noted that UNFPA would support work to develop indicators and collect data, including baseline data to track results. She stated that steps were being taken to strengthen staff in the country office and to build national capacity. She noted that the presence of refugees from Darfur had put pressure on the availability of basic social services. Regarding the Swaziland programme, she agreed that a community-based approach was important. She concurred on the importance of male involvement in addressing HIV/AIDS and

gender-based violence. She confirmed that UNFPA was working with other agencies in addressing those issues.

Asia and the Pacific region

81. Regarding the *Afghanistan* programme, delegations noted the valuable assistance provided by UNFPA over the years. They commended the Fund for assisting the Government in developing reproductive health and HIV prevention strategies. They welcomed the promotion of education of women and girls. Given Afghanistan's high maternal mortality rate, delegations welcomed the programme's emphasis on safe motherhood. They underscored the need to address the issue of child marriage as a factor contributing to high maternal mortality. They also called attention to the issue of forced marriages. Delegations stressed the need to address HIV prevention in the context of opium production, drug use and human trafficking. Delegations welcomed the Fund's collaboration on the census, noting that it would generate valuable data for national planning. One delegation asked how UNFPA would build the capacity of the Central Statistical Office to plan for future censuses. The need for UNFPA to have financial flexibility was noted. Concern was expressed about the small size of the Fund's staff at the country level. Delegations encouraged increased cooperation and improved coordination with other donors. Regarding the *Indonesia* programme, delegations commended the reproductive health approach and encouraged UNFPA to share the good practices from Indonesia using the South-South cooperation modality. Given that the national family planning programme only extends to married couples, concern was expressed that only limited target groups could be reached. Delegations welcomed UNFPA efforts to reduce gender inequality and promote women's empowerment.

82. The Director, Asia and the Pacific Division, fully agreed on the importance of addressing the issue of child marriage and other gender issues in Afghanistan. He underlined the need to proceed in a culturally sensitive manner. He confirmed that UNFPA was working collaboratively with other agencies. Indeed, the draft country programme had been developed following extensive consultations with the Government and other development partners. He noted that the census was not a one-off item and UNFPA currently had a three-year plan. He pointed out that the absence of baseline data was a challenge. Concerning HIV prevention, he noted that initial steps were under way. Regarding the country office, he noted that there had been an increase in staffing. Concerning the Indonesia programme, he underscored the importance of working with faith-based organizations and religious leaders in dealing with such culturally sensitive issues as adolescent reproductive health and HIV prevention.

83. The Executive Board took note of the draft country programme documents for Chad, Swaziland, Afghanistan and Indonesia and the comments made thereon.

IX. Technical Advisory Programme

84. The Director, Technical Support Division (TSD), introduced the report on the Technical Advisory Programme, 2006-2007 (DP/FPA/2005/16).

85. Delegations welcomed the role of the country technical services teams (CSTs) in contributing to national policies, including sector-wide approaches and poverty reduction strategies. They welcomed the focus on national capacity-building

Delegations underlined the need to build country office staff capacity and emphasized utilizing local expertise. Some delegations asked for clarification regarding the tasks of the CSTs. They stressed the need to ensure a clear assessment of the impact of the Technical Advisory Programme (TAP) and looked forward to hearing how the TAP would be better institutionalized within UNFPA. Delegations stated that the TAP was a central instrument for United Nations reform and for poverty eradication. They emphasized the need for the TAP to provide more strategic support to countries, and encouraged UNFPA to expand the TAP strategic partnerships programme. Delegations stated that they looked forward to receiving a comprehensive strategy document in 2005. Referring to the TAP strategic partnership programme, the WHO representative underscored the productive partnership with UNFPA, including in promoting universal access to reproductive health.

86. The Executive Director informed the Executive Board that UNFPA and UNICEF had agreed to have annual bilateral consultations to review their work at the highest levels. She noted that similar annual bilateral consultations were already under way with WHO. She noted that there would be a one-time cost involving moving a CST to South Africa. However, the matter was still under discussion. She observed that the Director, TSD, would be taking a four-month sabbatical as Visiting Scholar at Stanford University. She thanked her for leading two UNFPA task forces on United Nations reform and on the Millennium Development Goals.

87. The Director, TSD, appreciated the supportive comments and guidance provided by the Executive Board. Regarding TAP institutionalization, she noted that comprehensive and coherent work planning was under way and CSTs were involved in all steps of the annual work plan. Also, a bottom-up approach was being applied. CST contractual issues were being addressed through the Fund's human resources strategy, and also in the context of regionalization. Concerning the budget for the two-year TAP extension, she noted that it remained at the same level as before with a small increase due to mandatory salary and security costs. She stated that there would be a one-time cost associated with relocating one of the CSTs to South Africa. She assured the Board that the TAP was geared to utilize local expertise. She observed that the report in 2007 would include analysis of how the recommendations of the TAP evaluation had been put into action. She confirmed that the TAP strategic partnerships programme continued to expand partnerships with other United Nations entities. She appreciated the WHO representative's testimony regarding the valuable partnership with UNFPA.

88. The Executive Board adopted decision 2005/16 on UNFPA Technical Advisory Programme.

X. UNFPA role in emergency preparedness, humanitarian response and transition and recovery

89. The Deputy Executive Director (Programme) and the Chief, Humanitarian Response Unit (HRU), made introductory remarks. The Executive Board had before it a report on the UNFPA role in emergency preparedness, humanitarian response and transition and recovery (DP/FPA/2005/10). A short film was shown on reproductive health in refugee settings.

90. Delegations commended the valuable work and role of UNFPA in emergency and humanitarian settings. They noted that UNFPA had worked quickly in the aftermath of the tsunami, recognizing the vulnerability of women and girls and catering to their needs. They appreciated the contribution of UNFPA in ensuring the continuation of reproductive health commodities and services for tsunami-affected populations. They commended UNFPA for helping to strengthen national emergency preparedness, HIV prevention, and census data collection and analysis. Delegations encouraged an extension of the Fund's work in transition and post-disaster post-conflict environments, including fragile states. They called for better integration of emergency response and recovery issues into all UNFPA policies, structures and programmes and endorsed strengthening the Fund's institutional capacity.

91. While noting that a clear strategy had not been articulated in the document, delegations noted that the two informal consultations organized by UNFPA, together with the statement of the Executive Director, had helped to clarify the role of UNFPA in emergency preparedness, humanitarian response, and transition and recovery. Delegations stated that they looked forward to receiving a comprehensive strategy document at the session in September 2006, with staff and cost implications included. They requested that information also be provided about the use of resources and the outcomes from the increased ceiling of the emergency fund. They enquired about the difficulties faced as a result of having a limited budget for emergency humanitarian response. They asked if UNFPA had considered medium-term and long-term strategies for scaling up activities. Delegations encouraged UNFPA to consider its paradigm shift in the context of the report "In larger freedom: towards development, security and human rights for all" and United Nations reform. Delegations stated that they stood ready to continue their dialogue with UNFPA on its role and comparative advantage in emergency humanitarian response, and noted that briefings would be useful.

92. Delegations underscored that reproductive health needs were often forgotten in emergency humanitarian settings. They emphasized the importance of affected populations having access to reproductive health. In that regard, they noted that UNFPA had a key role to play. Numerous delegations underscored the importance of UNFPA coordinating and collaborating with other partners, particularly the Office for the Coordination of Humanitarian Affairs (OCHA). They stressed that there should be a coherent and coordinated United Nations system response in crisis and post-crisis situations. They encouraged UNFPA to continue its participation in joint needs assessments and transition frameworks. Delegations noted the comments on funding situation, across emergencies and within consolidated appeals. They appreciated the Fund's work in HIV prevention and in addressing gender-based violence. Several delegations thanked UNFPA for the emergency humanitarian assistance provided to their countries.

93. The WHO representative made a compelling statement about the "key and leading role" of UNFPA in reproductive health in emergency and humanitarian settings. He underscored the collaboration between WHO and UNFPA, including in Indonesia, Sudan and Uganda. He drew the attention of the Executive Board to the use of sexual violence as a weapon of war and the terrible physical damage and psychological trauma suffered by women and girls. He stressed that sexual and reproductive health needs were forgotten during war. He referred to the roles of UNFPA and WHO in an inter-agency initiative being developed to strengthen response to violence against women in conflict situations (the "Stop Rape in War"

campaign and also to the WHO, UNFPA and Social Science Research Council collaboration on development of tools for measurement and monitoring of sexual violence in humanitarian situations. He stated that AHO would continue its partnership with UNFPA.

92. The Deputy Executive Director (Programme) thanked the delegations for their advice and encouragement and took note of the comments regarding strengthening coordination with OCHA and other partners.

93. The Chief, HRU, appreciated the delegations' support and suggestions and stated that UNFPA would work closely with them in developing its corporate strategy for emergency humanitarian response. She noted that UNFPA and its partners were working to avoid duplication of efforts. She stated that UNFPA had elaborate reports on the use of resources from the emergency fund and would be glad to share them with interested delegations. She observed that UNFPA had garnered many lessons from its emergency humanitarian work. She paid tribute to the UNFPA staff working in difficult and challenging circumstances.

94. The Executive Board adopted decision 2005/30, UNFPA role in emergency preparedness, humanitarian response, and transition and recovery.

Joint UNDP/UNFPA segment

IV./VIII. UNDP and UNFPA country programmes and related matters

Draft common country programme document for Cape Verde

97. The Director, Africa Division, UNFPA and the Deputy Assistant Administrator and Deputy Director, Regional Bureau for Africa, introduced the draft common country programme document (CPD) for Cape Verde (DP/DCP/CPV/1 and Add.1; DP/FPA/CCP/CPV/5 and Add.1), underlining the collective efforts by the United Nations Development Group (UNDG) Executive Committee agencies to realize this initiative.

98. The Permanent Representative of Cape Verde appreciated the valuable partnership with United Nations organizations and noted that they had worked closely with the Government in developing the common CPD based on national priorities.

99. Delegations, in general, were pleased with and strongly supported the joint country programme initiative, underlining its relevance in the area of United Nations reforms and simplification and harmonization laid out in General Assembly resolution 59/250 on the triennial comprehensive policy review (TCPR). They hoped that it could serve as a model for future common country programmes in other countries. There was a request for more clearly defined highlights in the future.

100. One delegation commended UNDP and UNFPA for their collective initiative, in collaboration with the United Nations Children's Fund (UNICEF) and the World Food Programme (WFP), in realizing the first common country programme document. It noted, in particular, their work in policy setting, MDG advocacy, assistance in achieving middle-income country (MIC) status, capacity building and fostering

partnerships with non-governmental organizations (NGOs), and expressed satisfaction that the proposed programme reflected national priorities.

101. The lessons learned from the experience would serve to refine the joint office model in order to better harmonize the work of United Nations agencies on the ground, in particular regarding enhanced dialogue with the Government, reduced transaction costs, and greater consistency and effectiveness without cutting into programme resources. Also emphasized was the need for close follow-up, systematic dialogue and coordination, an inclusive process, national ownership and commitment, transparency and governance.

102. One delegation suggested that (a) as Cape Verde was set for MIC graduation United Nations agencies should focus on the transition process instead of maintaining its LDC preferential arrangement, (b) the United Nations should contribute via capacity-building to the country's move to World Trade Organization (WTO) membership, with a plan of action outlined in the CPD, and (c) UNDP should work in collaboration with the Millennium Challenge Compact. There was also a request for clarification on joint consideration of CPDs, funding modalities, financial responsibilities and agency-specific accountability, and evaluation and performance reviews.

103. The Director, Africa Division, UNFPA, thanked the Executive Board members for their positive comments. She conveyed special thanks to the Permanent Representative of Cape Verde. She noted that Cape Verde was in a unique position as it was graduating to MIC status; this required United Nations agencies to adjust their programming modalities and to assist the country in such areas as advocacy and resource mobilization. Concerning accountability, she noted that there were agency-specific results for which each agency would be responsible and accountable, including to their respective Executive Boards. She added that the agencies had their logframes/results frameworks and specific indicators and benchmarks. She concurred that it was important for the agencies to strengthen partnerships with all development partners.

104. The Deputy Assistant Administrator and Deputy Director, RBA, expressing thanks for delegations' appreciation of the common CPD, stressed that while repeating the process followed in Cape Verde was possible at the policy level, implementation would be more problematic. While Cape Verde provided a good model, full government support was the key to success. The purpose was to launch a platform from which to assess vulnerabilities and initiate and establish future common CPDs. Indeed, agencies were working together closely to determine how best to collaborate to address those issues. He also assured delegations that agencies were still individually accountable for their resources and results, which were readily traceable, and would report back to their Executive Boards accordingly. He expressed UNDP readiness to work with the Millennium Challenge Account and called on the latter to identify opportunities to meet its objective through the common country programme in order to achieve greater harmonization of external assistance to Cape Verde.

105. The Executive Board took note of the draft common country programme document for Cape Verde (DP/DCP/CPV/1, DP/FPA/CCP/CPV/5) and the Cape Verde results and resources frameworks for UNDP and UNFPA, respectively (DP/DCP/CPV/1/Add.1 and DP/FPA/CCP/CPV/5/Add.1) and the comments thereon.

VI. Follow-up to UNAIDS Programme Coordinating Board meeting

106. The Executive Board had before it the reports of UNDP (DP/2004/40) and of UNFPA (DP/FPA/2005/17). The Deputy Executive Director (Programme), UNFPA, and the Assistant Administrator and Director, Bureau for Development Policy (BDP), UNDP, made introductory remarks. Following that, the Chief, HIV/AIDS Branch, Technical Support Division, UNFPA, and the Director, HIV/AIDS Group, BDP, UNDP, made a joint presentation.

107. Delegations welcomed the excellent joint presentation and the emphasis placed on support for country-level action. They endorsed the intention of UNDP and UNFPA to pursue the implementation of the recommendations of the Global Task Team (GTT) on Improving AIDS Coordination Among Multilateral Institutions and International Donors. They encouraged United Nations agencies to work together to ensure the most efficient and effective use of resources in HIV-related programming. Delegations noted that the GTT was a major step forward in aid effectiveness and that the agreed division of labour across the United Nations and multilateral system would help to improve support for country-led AIDS responses. They encouraged the agencies to produce an action plan with a clear division of labour among the UNAIDS co-sponsors and asked which activities agencies would drop and which ones they would retain.

108. Delegations underscored the importance of effective reporting on the actions taken by UNDP and UNFPA in implementing the GTT recommendations. They stated that the Joint Meeting of the Executive Boards of UNDP/UNFPA, UNICEF and WFP, in January 2006, would be the next appropriate moment to report on progress. Delegations asked UNDP and UNFPA to consider the role that bilateral agencies could play at the country level in the rollout of the GTT recommendations. One delegation requested an explanation of funding modalities with respect to GTT. Citing UNDP and UNFPA efforts to integrate prevention into treatment delivery, one delegation requested more details on sex-disaggregated data and partnerships with women's and girls' organizations.

109. Delegations welcomed UNDP and UNFPA support to HIV/AIDS programmes at the country level and commended work to address the role of men and boys in responding to AIDS. Recognizing the support that UNDP is providing to Global Fund programmes, delegations urged the organization to act only as principal recipient for grants in exceptional circumstances, and intensify implementation support. Several delegations requested further clarification on how UNDP would promote the mainstreaming of AIDS and gender into PRSPs and provide an update at the first regular session 2006. Delegations encouraged UNDP to provide more detailed updates on the organization's role in supporting coordination and harmonization.

110. Delegations supported UNFPA action as a co-sponsor in terms of gender-based violence and encouraged harmonization and synergies with the work on gender-based violence undertaken by other United Nations agencies such as WHO and UNIFEM. Underlining the vital importance of reproductive health commodity security in HIV prevention and the key role of UNFPA in this area, delegations noted the need to convey this more clearly in the Fund's report. One delegation called for strengthened integration with reproductive health and increased focus on

HIV counselling and testing and supported UNFPA efforts to undertake culturally sensitive programming, including engagement with faith-based organizations. The delegation urged UNFPA to strengthen its country offices, especially those in Africa. One delegation urged more attention to HIV prevention in conflict areas.

111. Prior to adoption of the decision, one delegation noted for the record that the GTT recommendations were developed with the understanding that they would be implemented within the framework of national laws and the regulations and policies of the governing bodies of multilateral organizations and international institutions. Furthermore, agencies should remain fully accountable to their governing bodies and not blur the lines of responsibility for budgeting, funding and financial reporting.

112. The Chief, HIV/AIDS Branch, UNFPA thanked the Executive Board members for endorsing the GTT recommendations and the related decisions of the UNAIDS Programme Coordinating Board. He concurred that agencies should strengthen country-level support. In agreeing that there should be increased focus on HIV prevention in emergency/conflict situations, he noted that this was being discussed with UNHCR, WFP, UNAIDS Secretariat, UNFPA and other partners. He thanked the Board members for their constructive suggestions.

113. The Director, HIV/AIDS Group, UNDP, stressing the UNAIDS cosponsors' commitment to transparency and accountability, informed delegations that key indicators would be developed to track results accordingly. UNDP and UNFPA would report back on their efforts to incorporate decisions of the Programme Coordinating Board into programming at its next Board presentation. He emphasized that while addressing gender and HIV/AIDS is a priority, the response must move beyond analysis to addressing actively the role of men and their responsibilities within families and communities to reduce vulnerability to HIV. The Director highlighted the importance of respecting human rights and adopting appropriate legislation, and reported that UNDP had produced a guide for mainstreaming HIV/AIDS into sectors and programmes, with the World Bank and the UNAIDS secretariat. UNDP and the World Bank were also co-organizing a series of capacity building sessions on mainstreaming AIDS into PRSPs beginning in November 2005.

114. The Executive Board adopted decision 2005/41: Follow-up to the decisions and recommendations of the UNAIDS Programme Coordinating Board.

Annex I

Decisions adopted by the Executive Board during 2005

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2005/1
Revision of UNDP financial regulations

The Executive Board

1. *Takes note* of documents DP/2005/3 and DP/2005/4;

2. *Approves* the proposed revised financial regulations contained therein, with the following exceptions:

(a) Changes to regulations 07.1(c) (Commitment of resources against future receipt of contributions), 7.07 (b) and 7;

(b) Changes to regulation 20.02 (Exceptions to suspension of duties);

3. *Decides* to defer the consideration of proposed changes in paragraph 2 (a) and (b) above to the annual session of the Executive Board in June 2005, pending the review of information requested in paragraph 4 below;

4. *Requests* the Administrator to establish risk guidelines with respect to the proposed changes in paragraph 2 (a) and (b) above, as well as an independent expert assessment of these changes;

5. *Further requests* the Administrator to keep the financial regulations under active review and to consult accordingly with the Executive Board.

29 January 2005

2005/2
UNDP global programme, 2005–2007

The Executive Board

Having considered the UNDP global programme 2001-2003 (DP/GP/1);

1. *Decides* to extend the second global cooperation framework (DP/GCF/2 and DP/GCF/2/EXTENSION/1) for a further year, until end December 2005;

2. *Requests* the Administrator to take all necessary measures to ensure that the extension of the second global cooperation framework would not have an adverse impact on programme countries;

3. *Also requests* the Administrator to submit to the Executive Board a revised third global programme together with a work plan, in full consultation with Member States, at its annual session of the Executive Board in June 2005 taking into account the Multi-Year Funding Framework 2004-2007 (DP/2003/32) and the provisions of the TCPR (A/RES/59/250) on, inter alia, national ownership and leadership of the development process;

4. *Decides* to include in the agenda of the annual session of the Executive Board in June 2005 an item on the global programme.

28 January 2005

2005/3
Report on the assessment mission to Myanmar

The Executive Board

1. *Takes note* of the report on the assessment mission to Myanmar (DP/2005/6) and of the report submitted by the independent assessment mission to Myanmar, in particular the key challenges and recommendations mentioned therein;

2. *Notes* that the Human Development Initiative is highly relevant to improving the situation of the rural poor in Myanmar, and *requests* the Administrator to take account of and implement the findings of the independent assessment mission;

3. *Requests* UNDP, in expanding the programme, to ensure that quality is maintained, taking into account the findings of the evaluation that took place in 2004.

29 January 2005

2005/4
UNDP corporate gender strategy and action plan

The Executive Board

1. *Recalls* its decisions 2004/21 and 2004/38;

2. *Takes note* of the report contained in document DP/2005/7 and *defers* further consideration of the report to the annual session 2005 of the Executive Board.

29 January 2005

2005/5
Options for a future business model for the United Nations Capital Development Fund

The Executive Board

1. *Takes note with appreciation* of the report on options for a future business model for the United Nations Capital Development Fund (UNCDF) (DP/2005/8), presented in line with Executive Board decision 2004/37;

2. *Recalls* that UNCDF is mandated by the United Nations General Assembly to provide capital assistance, first and foremost to the least developed countries;

3. *Notes* that UNCDF has efficiently and effectively addressed the specific needs of least-developed countries through its local governance and microfinance programmes, thereby playing a clear role in achieving the Millennium Development Goals (MDGs)* at the local level;

4. *Notes* that UNCDF has harmonized and integrated its operations with those of the United Nations Development Programme (UNDP) in terms of, among other things, country programming, joint programmes, country, regional and headquarters presence, common shared support services and principles of cost recovery policies, thereby

* Internationally agreed development goals, including those contained in the Millennium Declaration.

specific units reducing the administrative and procedural burden on the organization and its national partners;

3. *Decides* to maintain UNCDF as an independent organization focused on reducing poverty and achieving the MDGs in the least developed countries;

4. *Requests* the Administrator, on the basis of option 3, sub-option 4 of document DP/2005/9 to provide a detailed implementation plan for this option, including budgetary, legal and programming arrangements, for decision at the 2005 annual session of the Executive Board;

5. *Notes* that the above option would further enhance the efficiency and effectiveness of UNCDF;

6. *Requests* the Administrator to appoint, as soon as possible, a new Executive Secretary for UNCDF;

7. *Stresses* that regular resources, because of their untied nature, will continue to be the foundation of UNCDF programme activities and that the effectiveness of UNCDF hinges on its access to predictable and sustained multi-year funding to finance its programmes in local development and microfinance;

8. *Calls upon* UNDP to assist UNCDF in mobilizing the resources necessary to sustain its current local governance and microfinance activities;

9. *Calls upon* donor countries and other countries in a position to do so to provide and sustain additional funding support to UNCDF programmes and activities in the least developed countries.

29 January 2005

2005/6
Progress report of the Executive Director of the United Nations Office for Project Services

The Executive Board

1. *Takes note* of the progress report of the Executive Director (DP/2005/9) and of the report of the MCC on the assessment of progress in UNOPS (DP/2005/10);

2. *Welcomes* the significant level of business acquisition in 2004, demonstrating demand for UNOPS services;

3. *Approves* the budget estimates, within which it is indicated that (a) 2005 expenditures will be covered by revenues earned during 2005, and (b) the change management programme remains a priority and will be adjusted according to the availability of funds;

4. *Notes* the concerns expressed by the Management Coordination Committee (MCC) with regard to the attainment of 2005 targets and requests the Executive Director to provide periodic updates to the Executive Board on UNOPS financial situation during the course of 2005;

5. *Notes* the diversity of clients and the trend towards building service provision in emergency and post-conflict situations, and also the further progress in defining the corporate strategy and *welcomes* in particular its service provision in transition situations, as well as in development and poverty-reduction environments;

6. *Requests* the Executive Director to continue to improve the financial management and control systems of UNOPS and the required reporting;

7. *Urges* UNOPS to remain committed to its audit responses and achieve a clean audit for the biennium 2004-2005;

8. *Requests* the Executive Director to prepare for the September 2005 session of the Executive Board, based on consultations with the MAC, a comprehensive plan of action on further measures to be implemented in 2006 to enhance the efficiency of business operations, ensure cost reductions, continue a change management process, and achieve sustainable financial viability.

28 January 2005

2005/7
Third cooperation framework for South-South cooperation

The Executive Board

1. *Takes note* of the third cooperation framework for South-South cooperation (DP/CF/SSC/3/Rev.1);

2. *Endorses* the proposed framework; and

3. *Requests* the Administrator to include in its report to the High-Level Committee on South-South Cooperation in May 2005 (SSC/14/2) a detailed strategy for the implementation of the framework, including mobilization of resources, and informs the Executive Board thereon.

4. *Also requests* the Administrator to hold periodic consultations with Member States.

5. *Further requests* the Administrator to report to the Executive Board at its annual session 2005 on progress achieved in implementing the third cooperation framework for South-South cooperation.

28 January 2005

2005/8
Implementation of the recommendations of the Board of Auditors

The Executive Board

1. *Takes note* of the reports of UNDP (DP/2005/11) and the update on that report (DP/2005/CRP.3), of UNFPA (DP/FPA/2005/1) and of the United Nations Office for Project Services (DP/2005/12) on the implementation of the recommendations of the Board of Auditors for the biennium 2002-2003;

2. *Stresses* the importance of adequate follow-up to the recommendations by the United Nations Board of Auditors, in particular in improving internal management control;

3. *Requests* that future reports on the implementation of the recommendations of the Board of Auditors include an indication of priority of the recommendations and an expected time frame for their implementation.

28 January 2005

2005/9
Reports of the Administrator and of the UNFPA Executive Director to the Economic and Social Council

The Executive Board

1. *Takes note* of the reports of the Administrator and of the UNFPA Executive Director to the Economic and Social Council (E/2005/4-DP/2005/11 and E/2005/5-DP/FPA/2005/2);

2. *Decides* to transmit them to the Economic and Social Council with the comments and guidance provided by delegations at the present session;

3. *Requests* UNDP and UNFPA to maintain a sharp focus with respect to following up on the Triennial Comprehensive Policy Review of the General Assembly as contained in its resolution 59/250; and

4. *Encourages* UNDP and UNFPA to participate actively in the preparatory process leading to the review scheduled for September 2005 of progress made towards achieving the objectives and targets laid out in the Millennium Declaration and the Millennium Development Goals*

28 January 2005

2005/10
Report on joint programming

The Executive Board

1. *Takes note* of the report of the Administrator of UNDP and the Executive Director of UNFPA (DP/2004/30-DP/FPA/2004/8);

2. *Recalls* General Assembly resolution 59/250 of 22 December 2004, on the triennial comprehensive policy review of operational activities for development of the United Nations system, which contains the policy framework set by the General Assembly to continue strengthening the joint programming process;

3. *Reiterates* the need to maintain the institutional integrity and organizational mandate of each United Nations agency during the process of joint programming;

4. *Welcomes* the efforts aimed at improving the coherence of the United Nations at the field level and programming efficiency, the avoidance of duplication and the reduction of transaction costs for programme countries, and thus to contribute to better overall results, and encourages the Administrator and the UNFPA Executive Director, respectively, to continue to work with governments and other partners towards that end;

* Internationally agreed development goals, including those contained in the Millennium Declaration.

1. *Emphasizes* the importance that the Executive Board attaches to the use of joint programming as a tool for supporting the implementation of national development plans, including poverty reduction strategies where they exist, through a more concerted approach under the common country assessment and United Nations Development Assistance Framework, towards achieving the internationally agreed development goals, including those contained in the Millennium Declaration;

2. *Requests*, therefore, that the Administrator and the UNFPA Executive Director, in managing their respective organizations' cooperation with other agencies, ensure that the implementation of joint programming, including joint programmes where appropriate, results in improved development impact, including, where appropriate, to:

(a) Further harmonize country programme preparation, implementation, monitoring and evaluation processes, and improve communication between United Nations agencies during the whole programme cycle;

(b) Effectively deliver programme goods and contribute to the reduction of transaction costs; and

(c) Promote common monitoring and reporting processes to governing bodies and joint approaches to evaluations;

3. *Takes note* of the respective efforts of UNDP and UNFPA in contributing to the continued development by the United Nations Development Group (UNDG) of a common framework, to include a common reporting framework for joint programmes, aimed at improving the impact and efficiency of United Nations system efforts, in partnership with and to support national governments, including efforts to identify circumstances under which joint programmes might be a useful tool, and what improvements in development impact would be achieved through the use of joint programmes;

4. *Emphasizes* the respective mandates of UNDP and UNFPA and their budgetary, financial reporting and evaluation responsibilities, including with respect to joint programmes;

5. *Requests* the Administrator and the UNFPA Executive Director to report on joint programming and joint programmes in the annual reports of UNDP and UNFPA, respectively, to the Executive Board at the annual session 2005;

6. *Requests* the Administrator and UNFPA Executive Director to submit to the Board, for its consideration at its annual session 2006, a comprehensive report on the implementation of joint programming, as outlined in this decision, and on the UNDG joint programming guidelines, including information on experiences and an analysis of resources allocated to the three options of fund management for joint programmes, and the resulting benefit in development impact or efficiency gains.

28 January 2005

2005/11
Revision of UNFPA financial regulations

The Executive Board

1. *Takes note* of documents DP/FPA/2005/3 and DP/FPA/2005/4;

2. *Approves* the revisions to the financial regulations contained therein, with the following amendment:

Regulation 14.2 (separation of duties)

Delete the phrase: "Unless otherwise expressly authorized by the Executive Director."

Add the following subparagraph: "(c) in any case, at least two signatories are required to authorize the expenditure of funds."

3. *Regarding the financing of donor agreements* (regulation 2.2 § (iii)), requests the Executive Director to establish guidelines containing elements such as standards for identifying and assessing risk factors, requirements for mitigating risk as a condition for approval, and limitations on the actual disbursement of cash prior to the receipt of contributions;

4. *Requests* the UNFPA Executive Director to keep the financial regulations under active review and to consult accordingly with the Executive Board.

24 January 2005

2005/12
Recovery of indirect costs for co-financing

The Executive Board

1. *Takes note of* documents DP/FPA/2005/4 and DP/FPA/2005/5;

2. *Further takes note of* the harmonized cost-recovery principles contained in document DP/FPA/2005/5, recognizing that the adoption of these principles by United Nations organizations constitutes a step towards increased transparency and comparability of cost recovery throughout the United Nations system;

3. *Encourages* UNFPA to intensify consultations for further harmonization of cost-recovery principles within the United Nations Development Group, with the objective of clearly identifying common elements under each cost category and justifying differences resulting from different mandates and operating modalities;

4. *Endorses*, on an interim basis, the UNFPA-specific implementation of these harmonized principles and their application in the recovery policy for indirect costs, consisting of a rate of 5 per cent on nationally executed cost-sharing expenditures financed by programme countries and 7 per cent on all other co-financed expenditures, *confirms* the current rate of 5 per cent for third-party procurement expenditures, and *also confirms* the limits of indirect cost recovery by non-governmental organizations and United Nations agencies, as authorized by the Executive Board in decision 2000/6;

5. *Stresses* that UNFPA must ensure full recovery, at an aggregate level, of all actual costs for implementing activities financed from UNFPA other (non-core) resources;

6. *Requests* the Executive Director to prepare a detailed report, to be presented to the Executive Board at the annual session 2007, that reviews the indirect cost-recovery policy on the basis of the actual data from the Atlas system, proposing amendments, as necessary, based on whether the goal of no cross subsidization is attained and whether there are categories of co-financing activities that have significantly higher or lower indirect costs compared to the rates applied;

7. *Encourages* UNFPA to continue to monitor the level of costs recovered from other (non-core) resources;

8. *Further encourages* UNFPA to continue to refine its strategic cost-management system, including through the implementation of the Atlas system, in order to better attribute indirect costs to programmes and projects.

9. *Reiterates* that regular resources must remain the bedrock of contributions to UNFPA;

28 January 2005

2005/13
Review of the system for the allocation of UNFPA resources to country programmes

The Executive Board

1. *Takes note* of the report of the Executive Director on the quinquennial review of the UNFPA system for the allocation of resources to country programmes (DP/FPA/2005/6);

2. *Reaffirms* the basic principles of the resource allocation system as contained in the report of the Executive Director (DP/FPA/2005/6);

3. *Approves* the approach, effective January 2005, for resource allocation contained therein, including the mainstreaming of the countries with economies in transition, synchronizing the resource allocation system cycle with the multi-year funding framework cycle, and amending the indicators and their threshold levels towards meeting the goals of the ICPD, ICPD+5 targets and the internationally agreed development goals, including those contained in the Millennium Declaration;

4. *Endorses* the procedure for categorizing countries into Groups A, B and C, as outlined in the present report;

5. *Approves* the relative share of resources presented in table 4 of the present report (DP/FPA/2005/6);

6. *Recognizes* the efforts of UNFPA to further increase the share of resources to group A countries and *encourages* the Executive Director to pursue ways and means to further increase resources to this group;

7. *Requests* the Executive Director to indicate in the annual reports the share of regular resources to group A countries as well as to state the share of regular resources allocated to the least developed countries and low-income countries;

8. *Recommends* that the distribution of resources to individual countries, and particularly to those changing category, be made in a flexible manner, taking into account the need to ensure that the gains already made are not compromised;

9. *Requests* the Executive Director to undertake, as needed, in close consultation with all countries concerned, a further review of the system for resource allocation in late 2007, in the context of any forthcoming integration of planning, funding and budget tools.

28 January 2005

2005/14
Overview of decisions adopted by the Executive Board at its first regular session 2005

The Executive Board

Recalls that during the first regular session 2005, it:

Item 1

Elected the following members of the Bureau for 2005:

President: H.E. Ms. Carmen Maria Gallardo Hernandez (El Salvador)

Vice-President: Mr. Andriy Nikitin (Ukraine)

Vice-President: Ms. Ulrika Ozmenberg-Mossberg (Sweden)

Vice-President: Mr. Tesfa Alem Seyoum (Eritrea)

Vice-President: Mr. Arjun Bahadur Thapa (Nepal)

Approved the agenda and work plan for its first regular session 2005 (DP/2005/L.1 and Corr.1);

Approved the report of the second regular session 2004 (DP/2005/1);

Approved the annual work plan 2005 (DP/2005/CRP.1);

Approved the tentative work plan for the annual session 2005;

Agreed to the following schedule of forthcoming sessions of the Executive Board in 2005:

Annual session 2005:	13-24 June 2005
Second regular session 2005:	6-9 September 2005

UNDP segment

Item 2
Financial, budgetary and administrative matters

Adopted decision 2005/1 of 28 January 2005 on the revision of UNDP financial regulations;

Took note of document DP/2005/CRP.4 on reporting of UNDP income from cost recovery;

Item 3
Country programmes and related matters

Adopted decision 2005/2 of 28 January 2005 on the UNDP global programme, 2005-2007;

Adopted decision 2005/3 of 28 January 2005 on the report of the assessment mission to Myanmar;

Reviewed the draft subregional programme document for the countries of the Organization of Eastern Caribbean States and Barbados;

Approved the following country programme documents:

Africa: Angola, Burundi, Lesotho, Madagascar, Mauritius;

Asia and the Pacific region: the Democratic People's Republic of Korea, Islamic Republic of Iran, the Philippines, the Republic of Korea;

Europe and the Commonwealth of Independent States: Armenia, Azerbaijan, Bosnia and Herzegovina, Kazakhstan, Kyrgyzstan, the former Yugoslav Republic of Macedonia, Romania, Serbia and Montenegro, Tajikistan, Turkmenistan, Uzbekistan.

Latin America and the Caribbean: Argentina, Guatemala.

Item 4
Gender in UNDP

Adopted decision 2005/4 of 28 January 2005 on the UNDP corporate gender strategy and action plan.

Took note of document DP/2005/CRP.2 on the update on the progress achieved in the partnership between UNDP and UNIFEM.

Item 5
United Nations Capital Development Fund

Adopted decision 2005/5 of 28 January 2005 on the options for a future business model for UNCDF.

Item 6
United Nations Office for Project Services

Adopted decision 2005/6 of 28 January 2005 on the progress report of the Executive Director of UNOPS.

Item 7
South-South cooperation

Adopted decision 2005/7 of 28 January 2005 on the third cooperation framework for South-South cooperation.

Joint UNDP/UNFPA segment

Item 8
Recommendations of the Board of Auditors

Adopted decision 2005/8 of 28 January 2005 on the implementation of the recommendations of the Board of Auditors for the biennium 2002-2003.

Item 9
Reports to the Economic and Social Council

Adopted decision 2005/9 of 28 January 2005 on the reports of the Administrator and the UNFPA Executive Director to the Economic and Social Council.

Item 10
Programming process

Adopted decision 2005/10 of 28 January 2005 on joint programming.

UNFPA segment

Item 11
Financial, budgetary and administrative matters

Adopted decision 2005/11 of 28 January 2005 on the revision of UNFPA financial regulations;

Adopted decision 2005/12 of 28 January 2005 on the recovery of indirect costs for co-financing;

Item 12
Resource allocation system

Adopted decision 2005/13 of 28 January 2005 on the UNFPA resource allocation system;

Item 13
Country programmes and related matters

Approved the following country programmes:

Africa: Angola, Burundi, Madagascar;

Asia and the Pacific: Islamic Republic of Iran, the Philippines;

Arab States and Europe: Armenia, Azerbaijan, Kazakhstan, Kyrgyzstan, Romania, Tajikistan, Turkmenistan, Uzbekistan;

Latin America and the Caribbean: Guatemala;

Item 14
Other matters

Held the following informal briefings and consultations:

UNDP

Informal consultation on the UNDP global programme;

Informal briefing on the report of the Management Coordination Committee on the assessment of progress in UNOPS.

UNFPA

Informal briefing on reproductive health commodity security;

UNDP and UNFPA

Briefing on the tsunami disaster of 26 December 2004;

Joint meeting

Held a joint meeting of the Executive Boards of UNDP/UNFPA, UNICEF and WFP on 20 and 24 January 2005, which addressed the following topics: (a) HIV/AIDS, orphans and women; (b) gender; (c) simplification and harmonization; and (d) transition.

28 January 2005

2005/15
Expression of appreciation to Mark Malloch Brown, Administrator of the United Nations Development Programme from 1999 to 2005

The Executive Board

Noting with regret that Mark Malloch Brown will depart from his position as Administrator of the United Nations Development Programme, effective 15 August 2005,

Recognizing that Mr. Malloch Brown has been a champion of development at UNDP since assuming the position of Administrator in 1999,

Acknowledging the tireless drive of Mr. Malloch Brown to place the work of UNDP at the centre of global development endeavours and *also acknowledging* the progress made by UNDP in its crucial work on poverty eradication during his time as Administrator,

Further acknowledging the efforts made by Mr. Malloch Brown to position UNDP at the forefront of reform and change in the United Nations system, to provide the organization with the tools it needs to confront future challenges, and to forge wide-ranging partnerships to ensure a strengthened, effective and efficient role for UNDP in the United Nations system,

Noting with admiration that, through the efforts of Mr. Malloch Brown, voluntary contributions to UNDP have enjoyed four years of successive increases after many years of decline,

Recognizing with deep appreciation that Mr. Malloch Brown made the Millennium Development Goals* the hallmark and centrepiece of all UNDP programmes,

Also recognizing the commitment, dedication and leadership shown by Mr. Malloch Brown in strengthening the role of UNDP, particularly at the country level,

1. *Commends* Mark Malloch Brown for his effective management of the United Nations Development Programme from 1999 to 2005;

2. *Expresses its sincere gratitude* to Mark Malloch Brown for his outstanding leadership from the Millennium Declaration to the Millennium Task Force and now onwards to the High-level Plenary Meeting of the General Assembly in 2005;

3. *Extends its warmest good wishes* to Mark Malloch Brown for success in his new position as Chief of Staff to the Secretary-General.

14 June 2005

2005/16
UNDP global programme, 2005-2007

The Executive Board

1. *Takes note of* the report on the UNDP global programme, 2005-2007 (DP/GP/1/Rev.1);

* Internationally agreed development goals, including those contained in the Millennium Declaration.

2. *Welcomes* the significant revisions to the global programme and the inclusion of a work plan, following consultation with the Member States since January 2005;

3. *Stresses* the importance of fully aligning the global programme with the multi-year funding framework, 2004-2007 (DP/2003/32), and with the provision of the Triennial Comprehensive Policy Review (A/RES/59/250) on, inter alia, national ownership and leadership of the development processes;

4. *Adopts* the global programme as set forth in the report.

21 June 2005

2005/17
Revision of UNDP financial regulations (follow-up to decision 2005/1)

The Executive Board

1. *Takes note of* the revision of the UNDP financial regulations (DP/2005/CRP.6), prepared in response to decision 2005/1;

2. *Approves*, on a three-year provisional basis, the proposed changes to the regulations contained in the conference room paper, and *requests* that all transactions made during the period of waived separation of duties shall be subject to ex post facto review;

3. *Requests* a Board of Auditors' assessment of the implementation of these changes at the end of the three-year trial period, within the context of their biennial audit.

22 June 2005

2005/18
UNDP strategic cost management and implications for cost recovery

The Executive Board

1. *Takes note of* the conference room paper on criteria for the determination of project-specific cost recovery rates (DP/2005/CRP.5);

2. *Recalls* its decisions 2003/22 and 2004/30;

3. *Welcomes* the participation of UNDP in the work of the UNDG Management Group with regard to further harmonization of cost-recovery principles and refining the criteria for cost-recovery rates;

4. *Reiterates* that UNDP must ensure that each source of funding covers its proportional share of management and programme support;

5. *Stresses* the indispensable need for flexibility within the established ranges of cost-recovery rates for contributions from both donor and recipient Governments so as to reflect the different execution modalities and management costs in different countries;

6. *Reaffirms* that UNDP must ensure full recovery, at an aggregate level, of all actual costs for implementing activities financed from UNDP third-party cost sharing, trust fund contribution and programme country cost sharing;

7. *Notes* that conference room paper DP/2005/CRP.5 does not outline a detailed proposal containing clear criteria that encourage incentives for un-earmarked, timely and flexible contributions to trust funds, third-party cost sharing and programme country cost sharing as requested by the Executive Board in paragraph 6 of its decision 2004/30;

8. *Requests* UNDP to submit to the Board at its second regular session 2006, a report on the current practice of determining specific cost-recovery rates and clear cost-recovery criteria based on, inter alia, funding and execution modalities and management cost in different countries.

22 June 2005

2005/19
UNDP, UNFPA and UNOPS: report on internal audit and oversight

The Executive Board

1. *Takes note of* the reports of the Administrator (DP/2005/26), the Executive Director of UNFPA (DP/FPA/2005/9), and the Executive Director of UNOPS (DP/2005/27) on internal audit and oversight;

2. *Supports* the continued strengthening and reorganization of the internal audit and oversight services of UNDP, UNFPA and UNOPS;

3. *Urges* UNDP and UNFPA to base their oversight and accountability activities on a corporate risk model and develop risk-assessment functions in their audit offices;

4. *Encourages* UNDP and UNFPA to use monitoring and financial control data systems to better mitigate the risks related to programme implementation;

5. *Notes* the importance of adequate audit coverage of headquarters functions;

6. *Concurs* with the need to strengthen analysis of the outcomes of audits; nationally executed projects; the follow-up actions taken by project management to address audit observations and recommendations; and *requests* UNDP, UNFPA and UNOPS to provide adequate training, particularly for field-based staff, to interpret and follow up on the audit findings and recommendations;

7. *Requests* UNDP and UNFPA to provide an explanation, in their next reports, of the selection criteria of the country offices audited;

8. *Welcomes* the presentation of audit recommendations by frequency of occurrence and by priority, and *requests* a further analysis of the present figures regarding the underlying causes of audit remarks;

9. *Requests* that this analysis and presentation be maintained in future reports on internal audit and oversight;

10. *Requests* UNDP, UNFPA and UNOPS to provide an analysis and presentation of the follow-up on previous internal audit recommendations in the reports of 2003 and 2004, and to report on the status of the most frequent and highest-priority recommendations in the next report, according to the framework approved in decision 2004/39, containing concrete objectives, a time line, and indicators as verified by the internal audit;

11. *Requests* UNDP and UNFPA to carry out an in-depth review of the level of internal audit resources so as to align them with best practices and adequately cover the strategic areas identified above;

12. *Also requests* the Administrator of UNDP and the Executive Directors of UNFPA and UNOPS to provide a management response to their internal audit reports at the annual session of the Executive Board, including the status of follow-up to recommendations of previous audit reports;

13. *Further requests* UNDP to arrange for the Board of Auditors to make a presentation of their report to the Executive Board.

23 June 2005

2005/20
Report on UNDP performance and results for 2004

The Executive Board

1. *Takes note of* the multi-year funding framework: report on UNDP performance and results for 2004 (DP/2005/16);

2. *Acknowledges* the candid and well-structured approach taken in presenting the data;

3. *Welcomes* the progress that UNDP has made to improve its strategic focus and responsiveness to country demands; the strong alignment of UNDP activities with the multi-year funding framework (MYFF) framework; and the commitment to results-based management;

4. *Encourages* UNDP to further advance its methodology to present its results and continue to enhance and refine the quantitative and qualitative measures contained in the MYFF so as to better analyse progress and results over time as the implementation of the MYFF continues;

5. *Requests* UNDP to include in subsequent MYFF reports an executive summary and a flow diagram showing the results chain it is reporting;

6. *Requests* UNDP to take follow-up actions based on the MYFF report, and the discussions following the presentation of the report to the Executive Board, taking into account national ownership and leadership of the development process as well as the provision contained in resolution A/RES/59/250 on the Triennial Comprehensive Policy Review;

7. *Also requests* UNDP, in accordance with decision 2004/1, to select capacity development as the theme on which its in-depth analysis is provided in the annual report 2006;

8. *Further requests* UNDP to present to the Board at its first regular session 2006, a timeline for the preparation and discussion of its report on the end-of-cycle assessment of performance of the MYFF, 2004-2007, as well as for the process leading to the preparation of the MYFF, 2008-2011;

9. *Calls upon* donor partners to continue to increase voluntary contributions to UNDP regular resources;

10. *Requests* that the Administrator continue to follow up on the recommendations contained in the report of the Joint Inspection Unit (DP/2005/16/Add.1).

23 June 2005

2005/21
Annual report of the Administrator on evaluation, 2004

The Executive Board

1. *Takes note of* the report of the Administrator on evaluation 2004 (DP/2005/25);

2. *Takes note of* the assessment of the UNDP contribution to specific national development results and the identification of key organizational lessons;

3. Notes the progress made in harmonizing and simplifying evaluation in the United Nations system through the work of the United Nations Evaluation Group, in particular the adoption of the United Nations Evaluation Group norms and standards for evaluation in the United Nations system, which represents an important response to the TCPR;

4. *Encourages* the Evaluation Office to pay more attention to concrete development results that have been achieved and follow-up on the recommendations of previous evaluations;

5. *Acknowledges* the substantial increase in the number of outcome evaluations conducted during the year, addressing the concern raised in 2003;

6. *Recognizes* the progress made in building the results-based evaluation capacity of UNDP staff, and the support of broader national and international professional evaluation coalitions;

7. *Approves* the codification of an evaluation policy for UNDP during the 2005 reporting period, and the formalization of a system for tracking evaluation recommendations;

8. *Highlights* the importance of seeking synergy through evaluation among UNDP and its associated funds and programmes in enhancing the accountability of the organization.

23 June 2005

2005/22
Midterm report on the UNIFEM multi-year funding framework

The Executive Board

1. *Takes note with appreciation* of the midterm report on the multi-year funding framework (DP/2005/24);

2. *Recognizes* the focused efforts of UNIFEM to support programme countries in achieving the Millennium Development Goals*, including through strategic interventions in its areas of comparative advantage;

3. *Encourages* UNIFEM to continue to bring a gender equality perspective to coordination mechanisms such as United Nations development assistance frameworks and national poverty reduction strategies through stronger partnerships with UNDP and United Nations Country Team members and in line with the recommendations in the Triennial Comprehensive Policy Review of operational activities of the United Nations system;

4. *Also encourages* UNIFEM to continue to track the progress of its MYFF according to the goals, outcomes and indicators in its results frameworks;

5. *Further encourages* all countries in a position to do so to assist UNIFEM in reaching the targeted level of regular resources, including through multi-year pledges.

23 June 2005

* Internationally agreed development goals, including those contained in the Millennium Declaration

2005/23
Status of regular resources funding commitments to UNDP and its funds and programmes for 2005 and onwards

The Executive Board

1. *Takes note of* the report on the status of regular resources funding commitments to UNDP and its associated funds and programmes for 2005 and onwards (DP/2005/17);

2. *Notes* that UNDP has achieved the first annual funding target (2004) of its second multi-year funding framework (MYFF), and also notes that a stable and adequate base of regular resources is within reach, provided that UNDP continue to follow the directions of the MYFF, and to improve programme design, implementation, monitoring and evaluation as requested by the Board, and that Member States not only sustain but increase their funding efforts over the full period of the MYFF;

3. *Requests* Member States to give priority to regular resources ('core' contributions) over other resources ('non-core' contributions), and also requests UNDP to continue its efforts to reduce its dependency on a few large donors and to broaden its donor base;

4. *Appreciates* that some countries have increased their core resources contributions and requests all countries that have not yet done so to provide contributions to regular resources for 2005, and also requests those that have already made their contributions to consider supplementing their 2005 contributions — if they are in a position to do so — so as to accelerate the momentum established in rebuilding the regular resource base of UNDP;

5. *Encourages* Member States in a position to do so to announce multi-year pledges and payment schedules over the period of the second MYFF and to adhere to such pledges and payment schedules thereafter.

23 June 2005

2005/24
Funding commitments to UNFPA

The Executive Board

1. *Takes note of* the report on funding commitments to UNFPA (DP/FPA/2005/8) and welcomes the substantial increase in the 2004 regular income level, as well as the increase in the 2004 co-financing income, resulting from increased contributions from a number of donors; and also *welcomes* the contributions made by programme countries, which have enabled UNFPA to reach its highest ever number of donors;

2. *Welcomes* the projected increase in the 2005 regular income level;

3. *Recognizes* that sustaining and improving the UNFPA funding level will require countries that are in a position to do so to augment their funding efforts during the period of the UNFPA multi-year funding framework, 2004-2007;

4. *Emphasizes* that UNFPA needs strong political and financial support, as well as increased and predictable core funding, in order to carry out its mandate and assist countries in implementing the Programme of Action of the International Conference on Population and Development and in achieving the Millennium Development Goals;*

5. *Encourages* all countries in a position to do so, to make contributions early in the year and to make multi-year pledges;

6. *Reiterates* that regular resources are the bedrock of UNFPA and are essential to maintaining the multilateral, neutral and universal nature of its work; and encourages UNFPA to continue to mobilize supplementary resources for its programmes.

23 June 2005

2005/25
Report of the Executive Director for 2004

The Executive Board

1. *Takes note of* the report of the Executive Director for 2004 (DP/FPA/2005/7, Parts I to II) and welcomes the progress made by UNFPA during the first year of implementation of the multi-year funding framework (MYFF), 2004-2007, noting the contribution of UNFPA to achieving the MYFF strategic results;

2. *Notes with appreciation* the efforts being made by UNFPA to assist countries in achieving the Millennium Development Goals (MDGs),* particularly by integrating population and development, reproductive health and gender equality into national poverty reduction strategies;

3. *Stresses* that the implementation of the Programme of Action of the International Conference on Population and Development (ICPD) and of the key actions for the further implementation of the ICPD Programme of Action (ICPD+5) makes an essential contribution to the achievement of the internationally agreed development goals, including the MDGs,* and emphasizes the importance of fully integrating the ICPD goals into strategies to achieve the internationally agreed development goals, including those contained in the Millennium Declaration;

4. *Approves* the revision of the MYFF integrated resources framework for the period 2004-2007, as proposed in document DP/FPA/2005/7, Part I;

5. *Encourages* UNFPA to further mainstream the ICPD agenda into country-led frameworks such as sector-wide approaches, poverty reduction strategy papers, health-sector reforms and other national development plans and policies;

6. *Emphasizes* the need to continue to forge innovative partnerships among development partners, governments, civil society organizations and the private sector to achieve the ICPD goals and the MDGs;*

7. *Requests* UNFPA to continue to bring reproductive health and rights and gender perspectives into the United Nations Development Assistance Frameworks and the MDG* reports;

8. *Recognizes* the progress being made to improve the organizational effectiveness of UNFPA and *encourages* UNFPA to continue to develop its managing-for-results framework and to present progress in the cumulative report due in 2007;

9. *Encourages* UNFPA to continue to track progress on its MYFF in terms of the goals, outcomes and indicators in the MYFF strategic results framework.

23 June 2005

* Internationally agreed development goals, including those contained in the Millennium Declaration

2005/26
Midterm review of successor programming arrangements

The Executive Board

1. *Takes note of* the report on midterm review of the programming arrangements for the period 2004-2007 (DP/2005/18);

2. *Recalls* decisions 2002/10 and 2002/18 on the programming arrangements for 2004-2007;

3. *Also recalls* decision 2002/14 on the Brussels Programme of Action for the Least Developed Countries for the decade 2000-2010, and reiterates that allocations from TRAC 1.1.1. and 1.1.2 to least developed countries should be fixed at a minimum of 60 per cent, and, for low-income countries, at a range between 85 per cent and 91 per cent;

4. *Recognizes with appreciation* the increasing trend in regular resource contributions, which will enable UNDP to maintain and increase its resource allocation to programme countries for the remainder of the current programming period;

5. *Emphasizes* that the programming of all UNDP resources at the country level takes place within the context of national development strategies and priorities and based on needs analyses, including through the common country assessment process of the United Nations, with a primary focus on supporting programme countries towards achieving the Millennium Development Goals*;

6. *Emphasizes* also that the programming arrangements constitute the operational tool and resource allocation mechanism for implementation of the UNDP multi-year funding framework, 2004-2007;[1]

7. *Recognizes* that capacity development and ownership of national development strategies are essential for the achievement of the Millennium Development Goals*, as was highlighted recently by the General Assembly in its Triennial Comprehensive Policy Review of operational activities for development of the United Nations system;[2]

8. *Decides* to maintain the current TRAC line 1.1.1 earmarkings for the years 2006 and 2007;

9. *Recalls* decision 95/23, which provides the legislative framework for TRAC 1.1.2, and *approves*, subject to revision in 2007, the following temporary changes for available new resources over the base total programming level of $450 million:

   (a) change the ratio of internal earmarking between TRAC lines 1.1.1 and 1.1.2 from 60-40 per cent to 50-50 per cent;

   (b) while fully adhering to the principle of priority allocation to low-income countries and the Least Developed Countries as referred to in paragraph 3, eliminate the current limitation on country allocations between TRAC lines 1.1.1 and 1.1.2;

   (c) while retaining the regional limitation in principle, introduce a flexibility of up to 10 per cent to facilitate some movement of TRAC 1.1.2 resources between regions;

10. *Further approves* a predictable level of annual funding for the Programme of Assistance to the Palestinian People in the amount of $3 million;

[1] Executive Board decision 2003/24
[2] A/RES/59/250

11. *Requests* UNDP to make an assessment of the current programming arrangements, in particular of the approved changes, in the context of proposing a successor programming arrangement as requested in decision 2002/18, and to submit this assessment to the Board for its first regular session in 2007.

23 June 2005

2005/27
Gender in UNDP

The Executive Board

1. *Takes note* of the explanatory note on the UNDP corporate gender strategy and action plan (DP/2005/CRP.9);

2. *Welcomes* the additional information on the gender action plan and the implementation matrix for 2005, in compliance with the request of Member States;

3. *Urges* UNDP to further expand its work on mainstreaming gender, including through the increase of financial and human resources to support the implementation of the action plan and to take into account the comments of Member States related thereto;

4. *Also requests* UNDP to actively promote and establish partnerships, as appropriate, with all relevant United Nations organizations working in the area of gender, including those whose mandates deal with training and research, to support the implementation of the action plan;

5. *Adopts* the UNDP corporate gender strategy and action plan as set forth in the report (DP/2005/7) and its corrigendum (DP/2005/7/Corr.1);

6. *Requests* the Administrator to develop the gender action plan through 2007, including the results matrix, and taking into account the findings of the multi-year funding framework; report on performance and results for 2004 (DP/2005/16), as well as the findings of the ongoing independent evaluation; and also requests the Administrator to report to the Executive Board on the medium-term action plan at its first regular session 2006, building on the management response to the independent gender evaluation.

23 June 2005

2005/28
Progress in implementing decision 2001/11: addressing the issue of the time frame for developing country programme documents

The Executive Board,

Recalling General Assembly resolution 59/250 of 22 December 2004 on the triennial comprehensive policy review of operational activities for development of the United Nations system, and underlining that further steps need to be taken to harmonize programming cycles and to synchronize them as far as possible with the national programming instruments, in particular the national poverty reduction strategies, including poverty reduction strategy papers where they exist,

1. *Takes note of* the report of the Administrator of UNDP and of the Executive Director of UNFPA on progress in implementing decision 2001/11: addressing the issue of the time frame for developing country programme documents (DP/2005/28-DP/FPA/2005/10) and the proposals therein;

2. *Recognizes* the progress made in implementing Executive Board decision 2001/11 on the UNDP/UNFPA programming process and therefore reconfirms the validity of the current approval procedure;

3. *Stresses* the need to ensure the quality and results orientation of country programme documents as well as their alignment with national priorities in the areas of competence of all agencies involved;

4. *Requests* the Administrator of UNDP and the Executive Director of UNFPA to present to the Executive Board at its annual session 2006, a report elaborated jointly with UNICEF on possible options to further improve and streamline the current harmonized country programme approval procedure so as to decrease the time frame for developing and approving country programmes, and to better synchronize them with the length of cycle of the respective national country programming instruments, bearing in mind the need to maintain the institutional integrity and organizational mandate of each agency.

23 June 2005

2005/29
UNCDF business plan 2005-2007: Investing in the LDCs to achieve the Millennium Development Goals

The Executive Board

1. *Welcomes* the UNCDF business plan 2005-2007: Investing in the LDCs to achieve the Millennium Development Goals (DP/2005/22), presented in line with Executive Board decision 2005/5;

2. *Notes* that the business plan enables UNCDF to fulfil its mandate, as set out by the United Nations General Assembly, to provide capital assistance, first and foremost to the least developed countries, and maintains UNCDF as an independent organization focused on reducing poverty and achieving the Brussels Programme for Action and the Millennium Development Goals* in the least developed countries;

3. *Requests* UNDP to report on the mainstreaming of UNCDF administrative costs in the biennial support budget 2006-2007, as laid out in DP/2005/22;

4. *Also requests* UNCDF to report to the Board at the first session of 2006 in an appropriate manner on its budgeting and programming decision-making processes;

5. *Reiterates* its call to the Administrator to appoint, as soon as possible, a new Executive Secretary for UNCDF;

6. *Calls upon* donor countries and other countries in a position to do so to provide and sustain additional funding support for UNCDF programmes and activities in the LDCs, including by providing funding to the proposed "Investing in LDCs" trust fund;

7. *Encourages* Member States, particularly LDCs, to provide advocacy support to assist UNCDF in its resource mobilization efforts.

23 June 2005

* Internationally agreed development goals, including those contained in the Millennium Declaration

2005/30
UNDP and UNFPA programme performance information at the country level

The Executive Board

1. *Takes note of* the report on progress in implementing decision 2001/11: addressing the issue of the time frame for developing country programme documents (DP/2005/28-DP/FPA/2005/10), the multi-year funding framework: report on UNDP performance and results for 2004 (DP/2005/16), and the report of the Executive Director for 2004: progress in implementing the multi-year funding framework, 2004-2007 (DP/FPA/2005/7, part I);

2. *Requests* UNDP and UNFPA, in consultation with relevant agencies, to make a proposal at the first regular session of the Executive Board in 2006 on cost-efficient approaches to providing programme-level data to their respective Boards as part of their programming and reporting cycles.

23 June 2005

2005/31
Overview of decisions adopted by the Executive Board at its annual session 2005

The Executive Board

Recalls that during its annual session 2005, it:

Item 1
Organizational matters

Approved the agenda and work plan for its annual session 2005 (DP/2005/L.2 and Corr.1);

Approved the report of the first regular session 2005 (DP/2005/14); and

Agreed to the following schedule of future sessions of the Executive Board in 2005 and 2006:

Second regular session 2005:	6 to 9 September 2005
First regular session 2006:	23 to 27 January 2006
Annual session 2006:	12 to 23 June 2006 (Geneva)
Second regular session 2006:	11 to 15 September 2006

Discussed the working methods of the Executive Board.

UNDP segment

Item 2
Multi-year funding framework

Adopted decision 2005/20 of 23 June 2005 on the multi-year funding framework: report on UNDP performance and results for 2004.

Item 3
Funding commitments

Adopted decision 2005/23 of 23 June 2005 on the status of regular resources funding commitments to UNDP and its funds and programmes for 2005 and onwards.

Item 4
Programming arrangements

Adopted decision 2005/26 of 23 June 2005 on the midterm review of programming arrangements.

Item 5
Human Development Report

Took note of the update on the Human Development Report consultations (DP/2005/19).

Item 6
Country programmes and related matters

Adopted decision 2005/16 of 21 June 2005 on the UNDP global programme, 2005-2007;

Took note of the following draft country programme documents (and the comments made thereon):

Africa

Draft country programme document for Burkina Faso (DP/DCP/BFA/1);
Draft country programme document for Ghana (DP/DCP/GHA/1);
Draft country programme document for Namibia (DP/DCP/NAM/1);
Draft country programme document for Uganda (DP/DCP/UGA/1);

Asia and the Pacific

Draft country programme document for Cambodia (DP/DCP/KHM/1);
Draft country programme document for China (DP/DCP/CHN/1);
Draft country programme document for Viet Nam (DP/DCP/VNM/1);

Europe and the Commonwealth of Independent States

Draft country programme document for Albania (DP/DCP/ALB/1);
Draft country programme document for Belarus (DP/DCP/BLR/1);
Draft country programme document for Bulgaria (DP/DCP/BGR/1);
Draft country programme document for Georgia (DP/DCP/GEO/1);
Draft country programme document for Turkey (DP/DCP/TUR/1);
Draft country programme document for Ukraine (DP/DCP/UKR/1);

Latin America and the Caribbean

Draft country programme document for Peru (DP/DCP/PER/1);
Draft country programme document for Turks and Caicos Islands (DP/DCP/TCI/1);

Took note of the one-year extensions of the country programmes for the Democratic Republic of the Congo and Liberia;

Took note of the draft regional programme document for Europe and the Commonwealth of Independent States, 2006-2010;

Approved the subregional programme for the countries of the Organisation of Eastern Caribbean States and Barbados.

Item 7
United Nations Capital Development Fund

Adopted decision 2005/29 on the UNCDF business plan, 2005-2007.

Item 8
United Nations Office for Project Services

Took note of the annual report of the Executive Director (DP/2005/23).

Item 9
United Nations Development Fund for Women

Adopted decision 2005/22 of 23 June 2005 on the midterm report on the multi-year funding framework.

Item 10
Gender in UNDP

Adopted decision 2005/27 of 23 June 2005 on gender in UNDP.

Item 11
Evaluation

Adopted decision 2005/21 of 23 June 2005 on the annual report of the Administrator on evaluation, 2004.

Item 12
Financial, budgetary and administrative matters

Adopted decision 2005/17 of 22 June 2005 on the revision of UNDP financial regulations (follow-up to decision 2005/1);

Adopted decision 2005/18 of 22 June 2005 on UNDP strategic cost management and implications for cost recovery.

UNDP/UNFPA segment

Item 13
Internal audit and oversight

Adopted decision 2005/19 of 23 June 2005 on internal audit and oversight for UNDP, UNFPA and UNOPS.

Item 14
Programming process

Adopted decision 2005/28 of 23 June 2005 on progress in implementing decision 2001/11: addressing the issue of the time frame for developing country programme documents.

Item 15
Field visits

Took note of the report on the field visit to the Lao People's Democratic Republic (DP/2005/CRP.7- DP/FPA/2005/CRP.1);

The report on the joint field visit to Azerbaijan (DP/2005/CRP.8-DP/FPA/2005/CRP.2) will be reissued, for technical reasons.

UNFPA segment

Item 16
Report of the Executive Director for 2004

Adopted decision 2005/25 of 23 June 2005 on the report of the Executive Director for 2004.

Item 17
Funding commitments to UNFPA

Adopted decision 2005/24 of 23 June 2005 on funding commitments to UNFPA.

Item 18
Country programmes and related matters

Took note of the following draft country programme documents (and the comments made thereon):

Africa

Draft country programme document for Burkina Faso (DP/FPA/DCP/BFA/6);
Draft country programme document for Ghana (DP/FPA/DCP/GHA/5);
Draft country programme document for Namibia (DP/FPA/DCP/NAM/4);
Draft country programme document for Uganda (DP/FPA/DCP/UGA/6);

Arab States and Europe

Draft country programme document for Albania (DP/FPA/DCP/ALB/2);
Draft country programme document for Georgia (DP/FPA/DCP/GEO/1),
Draft country programme document for the Occupied Palestinian Territory (DP/FPA/DCP/OPT/3);
Draft country programme document for Turkey (DP/FPA/DCP/TUR/4);
Draft country programme document for Ukraine (DP/FPA/DCP/UKR/1);

Asia and the Pacific

Draft country programme document for the Bangladesh (DP/FPA/DCP/BGD/7);
Draft country programme document for Cambodia (DP/FPA/DCP/KHM/3);
Draft country programme document for China (DP/FPA/DCP/CHN/6);
Draft country programme document for Viet Nam (DP/FPA/DCP/VNM/7);

Latin America and the Caribbean

Draft country programme document for Peru (DP/FPA/DCP/PER/7);

Took note of the report on the implementation of the UNFPA special programme of assistance to Myanmar (DP/FPA/2005/11);

Took note of the first one-year extension of the first programme of special assistance to Myanmar (DP/FPA/2005/12);

Approved the two-year extension of the first country programme for Timor-Leste (DP/FPA/2005/12).

Item 19
Other matters

Held the following:

(a) A farewell tribute to the UNDP Administrator and adopted decision 2005/15, Expression of appreciation to Mark Malloch Brown, Administrator of UNDP from 1999 to 2005;

(b) A special event on post-conflict peace building: role of UNDP (El Salvador experience);

(c) An informal consultation on UNDP and UNFPA audit reports;

(d) A UNDG presentation on the findings of the global survey on the impact of the MDGs* at the country level;

(e) An informal consultation on the role and action of UNFPA in emergency preparedness, humanitarian response, and transition and recovery; and

(f) A UNFPA informal briefing on maternal health and HIV/AIDS.

23 June 2005

2005/32
Working methods of the Executive Board

The Executive Board,

Having considered document DP/2005/CRP.13 on improving its working methods,

1. *Decides*, in order to ensure continuity of the work of the Executive Board to:

(a) encourage newly elected members to participate in the work of the Executive Board soon after their election by the Economic and Social Council;

(b) establish the composition of the incoming Bureau at an early date so that incoming Bureau members can consult with the outgoing Bureau and take part in its work;

2. *Requests* the secretariat, where appropriate, to provide the Board with the financial implications of draft decisions prior to sessions of the Board;

3. *Encourages* the joint meetings of the Executive Boards of UNDP/UNFPA, the United Nations Children's Fund and the World Food Programme to discuss and comment on one country case as a practical illustration of joint United Nations work in the field, and invites the United Nations agencies, funds and programmes taking part in the United Nations Development Assistance Framework to participate in this joint exercise;

4. *Underlines* the important role of Bureau members in facilitating and expediting the decision-making process, through interaction with their respective regional groups.

* Internationally agreed development goals, including those contained in the Millennium Declaration.

5. *Decides* to continue discussion and consultations on the working methods of the Executive Board in order to make it more efficient and effective while expediting and facilitating the decision-making process.

9 September 2005

2005/33
Biennial budget estimates, 2006-2007 (UNDP)

The Executive Board

1. *Takes note* of the report of the Administrator on the biennial support budget and related estimates for the biennium 2006-2007, as contained in document DP/2005/31, underpinning the resource requirements for the second two years of the multi-year funding framework (MYFF) for 2004-2007;

2. *Recalls* decision 2005/5 on UNCDF, and takes note of the inclusion of the biennial support budget requirements of UNCDF into the budget submission of UNDP as a separate appropriation line;

3. *Approves* gross appropriations in the amount of $729 056 300 as indicated in the table below for the purposes indicated in the report, except the proposed new regional advocacy posts and the resources expenditure associated with them and resolves that the income estimates of $71 210 000 should be used to offset the gross appropriations, resulting in estimated net appropriations of $657 846 300;

4. *Encourages* all host country Governments to meet their obligations towards local office costs;

5. *Notes* the increase in costs in the biennial support budget, and requests UNDP to report in more detail in the next biennial support budget on the strategies and measures to contain costs;

6. *Authorizes* the incoming Administrator to redeploy or reprioritise resources between appropriations lines up to a maximum of 5 per cent of the appropriation line to which the resources are redeployed;

7. *Takes note of* the proposed base structure and augmentation capacity distribution for both headquarters and country offices, and urges the Administrator to continue to progressively realign the funding modality of UNDP support requirements towards proportional cost sharing between regular and other resources;

8. *Endorses* the Administrator's proposal to reflect the security costs mandated by the United Nations as a separate line in the UNDP resource plan, and approve the amount of $31 243 700 from the regular resources of UNDP for the purposes of covering such costs;

9. *Requests* UNDP to continue to improve on the quality of the budget proposal by streamlining the presentation, avoiding repetition and promoting greater clarity and transparency;

10. *Welcomes* the decision of UNDP to present an aligned, results based, biennial support budget for 2008-2009, harmonized with UNFPA and UNICEF;

11. *Endorses* the concerns expressed by the ACABQ on the tendency for upward classifications of posts and requests UNDP to only submit upward reclassifications as a result of significant changes in the level and scope of responsibilities involved and better document this in the budget proposal;

12. *Endorses* the priority given by the Administrator to gender mainstreaming and requests that the implications of the gender action plan for 2006 be reflected in the budgeting process;

13. *Welcomes* the appointment of UNDP country directors, as contained in the 2006-2007 biennial support budget, requests UNDP to continue discussion with the Executive Board on the overall strategy related to enhancing the effectiveness of the resident coordinator system, and in this context reaffirms the role of UNDP as manager of the resident coordinator system as stipulated in the TCPR resolution A/RES/59/250;

2006-2007 biennial support budget
(in thousands of dollars)

Programme support		
Country offices		343 779.1
Headquarters		75 404.5
	Subtotal, programme support	419 124.6
	Management and administration	138 953.4
	Support to the operational activities of the United Nations	
Country offices		120 766.6
UNDGO		3 961.8
IAPSO		1 142.4
United Nations Volunteers		35 085.0
	Subtotal, support to the operational activities of the United Nations	160 955.8
	Subtotal biennial support budget, UNDP	**719 033.8**
UNCDF		10 022.5
Total gross appropriations		729 056.3
Less estimated income		171 210.0
Estimated net appropriations		557 846.3

9 September 2005

2005/34
Biennial budget estimates, 2006-2007 (UNIFEM)

The Executive Board

1. *Takes note* of the report of the Administrator on the biennial support budget estimates for the biennium 2006-2007 for the United Nations Development Fund for Women as contained in document DP/2005/31;

2. *Urges* UNIFEM to continue working on reducing expenditures from regular (core) resources on programme support and administration and management in order to increase resources available for programmes;

3. *Approves* a gross appropriation for UNIFEM in the amount of $16,374,400.

9 September 2005

2005/35
Evaluation of the regional cooperation framework for the Arab States, 2002-2005

The Executive Board

1. *Takes note of* the report "Evaluation of the regional cooperation framework for the Arab States, 2002-2005" (DP/RPD/RAS/1);

2. *Welcomes* the approach and methodology used in the evaluation and requests the UNDP Evaluation Office to give more attention to the relevance of the regional programmes in their approach and conduct independent evaluations of all regional programmes in future;

3. *Expresses concern* at the lack of outcome evaluations, and requests UNDP to develop mechanisms for systematic monitoring and evaluation systems, and to collect baseline data and track indicators that can provide information on the outcomes and impact of UNDP regional programmes in close cooperation with national authorities;

4. *Takes note of* the recommendations contained in the report (DP/RPD/RAS/1), suggests that the Evaluation Office prioritize the conclusions and recommendations and urges UNDP to take into account the lessons learned in implementing the regional cooperation framework for the Arab States, 2002-2005, while developing and implementing the next regional programme for the Arab States.

9 September 2005

2005/36
UNOPS plan of action

The Executive Board

1. *Takes note of* the report "Restoring the viability of the United Nations Office for Project Services as a separate, self-financing entity: an action plan" (DP/2005/39) and the UNOPS Action Plan: Supplement, DP/2005/CRP.14, presented in response to Executive Board decision 2005/6;

2. *Recalls* that UNOPS was created as a self-financing operational service provider to operational agencies of the United Nations system and to a wide range of clients within and beyond the United Nations;

3. *Notes* that UNOPS client base has shifted substantially to meet changing demands for services in post-conflict and natural disaster response environments, and infrastructure and complex operations management with capacity building support;

4. *Notes* that the critical financial situation of UNOPS, described in DP/2005/39 and DP/2005/CRP.14, makes cost-cutting and process improvements, as well as focusing its business on the areas of market demand all the more urgent and necessary;

5. *Recognizes* the necessity for implementing the measures proposed under option 1 which will position UNOPS as a complex operations management and full-service implementation entity, offering a focused set of product lines, working in partnership with international financial institutions (IFIs), United Nations system and government clients to deliver concrete, rapid results, primarily at the country level, in post-conflict and natural-disaster response environments, and in developing countries requiring infrastructure development, complex operations management with capacity-building support as well as on provision of services and products in areas where demand is strengthening, to ensure full cost-recovery to UNOPS and to provide a reliable foundation on which to focus and rebuild its financial viability;

6. *Emphasizes* that the measures to be taken in line with this decision are a foundation for the future, but do not exclude provision of services to clients in situations and circumstances other than those cited above, so long as UNOPS can provide satisfactory services at full cost recovery while ensuring its financial viability;

7. *Expects* that the reform measures to be instituted will enable UNOPS to return to sustainable financial viability, to rebuild the Operational Reserve, and to meet its statutory obligations as regards staff post-service benefits etc.;

8. *Requests* the Executive Director to implement these reforms expeditiously;

9. *Requests* the Executive Director to provide periodic updates to the Executive Board in the course of 2006 on UNOPS' financial situation and on progress in the implementation of the transition measures;

10. *Expresses* its intention to engage in a continuing discussion on the role and mandate of UNOPS in the wider context of United Nations reform.

9 September 2005

2005/37
Estimates for the UNFPA biennial support budget for 2006-2007

The Executive Board,

1. *Having considered* the 2006-2007 biennial support budget estimates of UNFPA, as contained in document DP/FPA/2005/13;

2. *Approves* gross appropriations in the amount of $209.0 million for the purposes indicated below and resolves that the income estimates of $12.6 million will be used to offset the gross appropriations, resulting in estimated net appropriations of $196.4 million;

2006-2007 UNFPA biennial support budget *(in thousands of United States dollars)*	
Programme support	
Country offices	106,408.7
Headquarters	36,684.1
Subtotal	143,092.8
Management and administration of the organization	65,939.8
Total gross appropriations	209,032.6
Less: Estimated income to the budget	(12,600.0)
Estimated net appropriations	196,432.6

3. *Authorizes* the Executive Director to redeploy resources between appropriation lines up to a maximum of 5 per cent of the appropriation to which the resources are redeployed;

4. *Authorizes* extrabudgetary expenditures of $8.9 million to implement the Enterprise Resource Planning (Atlas) project;

5. *Authorizes* additional funding expenditures of $4.7 million to replenish the security reserve.

September 2005

2005/38
UNFPA annual financial review, 2004

The Executive Board

1. *Takes note of* the annual financial review, 2004 (DP/FPA/2005/15);

2. *Recognizes* the significance of increasing and achieving stability and predictability in contributions to regular resources;

3. *Also recognizes* that timeliness in the payment of contributions is essential to maintaining liquidity and facilitating continuous programme implementation;

4. *Further recognizes* that more balanced burden-sharing is essential to the long-term financial sustainability of UNFPA.

8 September 2005

2005/39
UNFPA Technical Advisory Programme

The Executive Board,

Having considered ongoing United Nations reform processes, the UNFPA plan to change its current configuration to better meet national priorities, as well as the need to harmonize, from 2008, the cycles of the Technical Advisory Programme, the biennial support budget, the multi-year funding framework and the intercountry programme — which requires flexibility,

1. *Welcomes* document DP/FPA/2005/16 and the proposals contained therein, including the proposal to develop a longer-term strategy for UNFPA technical assistance to countries and regions;

2. *Approves* the extension of the UNFPA Technical Advisory Programme for a two-year period, 2006-2007;

3. *Authorizes* the Executive Director to maintain the level of current funding and commit an amount of $40 million over the two-year period for its implementation;

4. *Requests* the Executive Director to report to the Executive Board on the implementation of the Technical Assistance Programme during 2006-2007, as well as the implementation of the recommendations of the external evaluation, and to present to the Board at its second regular session 2007, the new arrangements for the provision of technical assistance to programme countries during the period 2008-2011.

9 September 2005

2005/40
UNFPA role in emergency preparedness, humanitarian response, and transition and recovery

The Executive Board

1. *Takes note* of document DP/FPA/2005/18 and of the critical importance of UNFPA work in humanitarian and transition settings;

2. *Encourages* continued efforts by UNFPA, within its thematic mandate, in policy advocacy, technical leadership and field collaboration with relevant partners for emergency preparedness, humanitarian response, and transition and recovery;

3. *Recalls* decision 2000/13, aimed at ensuring reproductive health in emergency situations;

4. *Recognizes* UNFPA plans to strengthen its institutional capacity in emergency preparedness, humanitarian response, and transition and recovery, and encourages continued consultations with the Executive Board in this regard;

5. *Requests* the Executive Director to report to the Executive Board at its second regular session 2006 on a comprehensive corporate strategy, including resource and staff implications, for emergency preparedness, humanitarian response, and transition and recovery. This corporate strategy should include coordination with other relevant United Nations agencies, funds and programmes, and with the Office for the Coordination of Humanitarian Affairs;

6. *Decides*, as an interim measure, to raise the ceiling of the existing emergency fund from $1 million to a $3 million to enable UNFPA to better respond to crisis situations, and to review this ceiling at its second regular session in 2006, taking into account the comprehensive corporate strategy referred to in paragraph 5;

7. *Requests* the Executive Director to report on the utilization of these funds in the context of the UNFPA annual financial review.

9 September 2005

2005/41
Follow-up to the decisions and recommendations of the UNAIDS Programme Coordinating Board

The Executive Board

1. *Takes note* of documents DP/2005/40 and DP/FPA/2005/17 on the UNDP and UNFPA implementation of the decisions and recommendations of the UNAIDS Programme Coordinating Board;

2. *Endorses* the recommendations of the Global Task Team on Improving AIDS Coordination among Multilateral Institutions and International Donors, and furthermore *endorses* all the related decisions of the Programme Coordinating Board;

3. *Requests* UNDP and UNFPA to develop appropriate action plans, in collaboration with the UNAIDS secretariat and other co-sponsors, and maintain the momentum created by the Global Task Team, within the specified time frames;

4. *Requests* UNDP and UNFPA, together with UNAIDS and other relevant development partners, to report on progress in implementing the Global Task Team recommendations at the joint meeting of the Executive Boards of UNDP/UNFPA, UNICEF and WFP in January 2006, and at a special session during the June 2006 meeting of the UNAIDS Programme Coordinating Board;

5. *Notes* the emphasis on support to country-level action and strengthening national responses, and *encourages* UNDP and UNFPA to provide effective technical support to national governments; and focus on their respective areas of comparative advantage;

6. *Requests* UNDP and UNFPA to work with the UNAIDS secretariat to intensify HIV prevention by developing an action plan based on the UNAIDS policy position paper, *Intensifying HIV Prevention*;

7. *Notes* that this will require coordination and harmonization of efforts and a clear division of responsibilities with the UNAIDS secretariat and with other co-sponsors, and coordination with national and global stakeholders.

9 September 2005

2005/42
Overview of decisions adopted by the Executive Board at its second regular session 2005

The Executive Board

Recalls that during its second regular session 2005, it:

Item 1
Organizational matters

Approved the agenda and work plan for the second regular session 2005 (DP/2005/L.3 and DP/2005/L.3/Corr.1);

Approved the report of the annual session 2005 (DP/2005/29 and DP/2005/29/Corr.1);

Agreed to the following schedule of sessions of the Executive Board in 2006:

First regular session 2006:	20 to 27 January 2006
Annual session 2006:	12 to 23 June 2006 (Geneva)
Second regular session 2006:	11 to 15 September 2006;

Adopted decision 2005/32 of 9 September 2005 on the working methods of the Executive Board;

UNDP segment

Item 2
Financial, budgetary and administrative matters

Adopted decision 2005/33 of 9 September 2005 on the UNDP biennial budget estimates, 2006-2007;

Adopted decision 2005/34 of 9 September 2005 on the UNIFEM biennial budget estimates, 2006-2007;

Took note of the report of the Advisory Committee on Administrative and Budgetary Questions (ACABQ) on the UNDP and UNIFEM biennial budget estimates, 2006-2007 (DP/2005/32);

Took note of the report of the Administrator on the annual review of the financial situation, 2004 (DP/2005/33 and DP/2005/33/Add.1);

Took note of the information on United Nations system technical cooperation expenditures, 2004 (DP/2005/34 and DP/2005/34/Add.1);

Item 3
Evaluation

Adopted decision 2005/35 of 9 September 2005 on the evaluation of the regional cooperation framework for the Arab States, 2002-2005;

Item 4
Country programmes and related matters

Took note of the following draft country programme documents and the comments made thereon:

Draft country programme document for Chad (DP/DCP/TCD/1)
Draft country programme document for Swaziland (DP/DCP/SWZ/1)
Draft country programme document for the Libyan Arab Jamahiriya (DP/DCP/LBY/1)
Draft country programme document for Afghanistan (DP/DCP/AFG/1)
Draft country programme document for Bangladesh (DP/DCP/BGD/1)
Draft country programme document for Indonesia (DP/DCP/IDN/1)
Draft country programme document for Guyana (DP/DCP/GUY/1);

Took note of the draft regional programme document for the Arab States, 2006-2009 (DP/RPD/RAS/1);

Approved an additional two-year extension of the fourth phase of the Human Development Initiative in Myanmar for the period 2006-2007;

Approved the two-year extensions of the second country cooperation framework for Mexico and the country programme for Timor-Leste;

Approved the extension of the regional cooperation framework for Latin America and the Caribbean for two years, from 1 January 2006 to 31 December 2007;

Approved the exceptionally requested third-year extensions of the second country cooperation frameworks for Chile and Uruguay;

Item 5
United Nations Office for Project Services (UNOPS)

Adopted decision 2005/36 of 9 September 2005 on the UNOPS plan of action;

UNFPA segment

Item 7
Financial, budgetary and administrative matters

Adopted decision 2005/37 of 9 September 2005 on the estimates for the UNFPA biennial support budget for 2006-2007;

Adopted decision 2005/38 of 8 September 2005 on the UNFPA annual financial review, 2004;

Took note of the report of the ACABQ on the estimates for the UNFPA biennial support budget for 2006-2007;

Item 8
Country programmes and related matters

Took note of the following draft country programme documents and the comments made thereon:

Draft country programme document for Chad (DP/FPA/DCP/TCD/5)
Draft country programme document for Swaziland (DP/FPA/DCP/SWZ/4)
Draft country programme document for Afghanistan (DP/FPA/DCP/AFG/2)
Draft country programme document for Indonesia (DP/FPA/DCP/IDN/7);

Item 9
Technical Advisory Programme

Adopted decision 2005/39 of 9 September 2005 on the UNFPA Technical Advisory Programme;

Item 11
UNFPA role in emergency preparedness, humanitarian response, and transition and recovery

Adopted decision 2005/40 of 9 September 2005 on the UNFPA role in emergency preparedness, humanitarian response, and transition and recovery;

Joint UNDP/UNFPA segment

Items 4 and 8
Draft common country programme document for Cape Verde

Took note of the draft common country programme document for Cape Verde (DP/DCP/CPV/1–DP/FPA/CCP/CPV/5) and the Cape Verde results and resources frameworks for UNDP and UNFPA, respectively (DP/DCP/CPV/1/Add.1 and DP/FPA/CCP/CPV/5/Add.1);

Item 6
Follow-up to the UNAIDS Programme Coordinating Board meeting

Adopted decision 2005/41 of 9 September 2005 on follow-up to the decisions and recommendations of the UNAIDS Programme Coordinating Board.

9 September 2005

Annex II

Membership of the Executive Board in 2005

(Term expires on the last day of the year indicated)

African States: Botswana (2006); Cameroon (2006); Cape Verde (2005); Congo (2006); Eritrea (2006); Gambia (2006); Tunisia (2005); Uganda (2007).

Asian and Pacific States: China (2006); Democratic People's Republic of Korea (2007); India (2005); Indonesia (2006); Islamic Republic of Iran (2006); Kazakhstan (2007); Nepal (2005).

Latin American and Caribbean States: Cuba (2006); El Salvador (2005); Guatemala (2007); Guyana (2007); Uruguay (2005).

Eastern European States: Belarus (2007); Poland (2006); Russian Federation (2005); Ukraine (2007).

Western European and other States: Australia (2005); Denmark (2006); Germany (2006); Italy (2005); Japan (2005); Netherlands (2006); Norway (2005); Portugal (2007); Sweden (2006); Switzerland (2007); Turkey (2007); United States (2007).

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